



Sustainability Reporting Framework Index



Lloyds Banking Group
2024

Our Approach to Sustainability Reporting

We continue to review and enhance our means and methodologies for reporting environmental, social and governance (ESG) performance and disclosures and in doing so, we have identified the following reporting frameworks as being important reporting tools that address the needs of our investors and other stakeholders.

We will continually evolve our reporting each year to enhance our disclosures, in line with meeting the requirements of our selected sustainability reporting frameworks.



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- UNEP FI Principles for Responsible Banking Self-Assessment
- The International Business Council of the World Economic Forum (WEF) Stakeholder Capitalism Metrics
- Global Reporting Initiative (GRI) Index
- Sustainability Accounting Standards Board (SASB) index
- California AB 1305 Compliance Statement

UNEP FI Principles for Responsible Banking self-assessment report

We acknowledge the release of the new progress statement templates released in November 2024. For the purposes of our 2024 self-assessment we have responded against the original template. We will be looking to implement the new templates for our 2025 self-assessment. [PRB-Responsible-Banking-Progress-Statement.pdf](#)

Lloyds Banking Group is a signatory to the Principles for Responsible Banking (the Principles) which reinforces the Group's commitment to align to the Paris Climate Agreement and the United Nations Sustainable Development Goals (SDGs) which inform our Group Purpose and Strategy.

Lloyds Banking Group was an inaugural signatory to the United Nations Environment Programme Finance Initiative's (UNEP FI) Principles for Responsible Banking (PRB) in 2019. The Principles require signatories to implement a program of work over four years encompassing alignment; impact and target setting; clients and customers; stakeholders; governance and culture; and transparency and accountability.

The Group is continuing to align its practices to these principles. This is the Group's fifth PRB self-assessment report to demonstrate its progress against all six principles.

Key

⊛ Indicator is subject to Limited ISAE 3000 (revised) assurance by Deloitte LLP for the 2024 Sustainability Reporting. Deloitte's 2024 assurance statement and the sustainability metrics basis of reporting 2024 are available online at [sustainability download](#).

✓ Tick symbol indicates a positive response to a PRB self-assessment question



PRB Self-Assessment Report

Principle 1 – Alignment:

We will align our business strategy to be consistent with and contribute to individuals needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Reporting and self-assessment requirements

High level summary of the Group’s response

Links and reference(s) to the Group’s full response/relevant information

1.1 Business model
Describe (high-level) your bank’s business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services.

Please also quantify the information by disclosing e.g. the distribution of your bank’s portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

1.1 Business model
Lloyds Banking Group is a leading UK-based financial services group. We provide a wide range of banking and financial services, focused primarily on retail and commercial customers.

The Group’s Purpose is Helping Britain Prosper. We do this by creating a more sustainable and inclusive future for people and businesses, shaping finance as a force for good.

Our vision is to be the UK customer-focused digital leader and integrated financial services provider capitalising on new opportunities, at scale. Our purpose-driven strategy is focused on supporting the needs of our customers, colleagues and communities, whilst delivering long-term, sustainable returns and creating value for our shareholders. We will achieve our vision through our strategic priorities: Grow, Focus and Change.

As a large, UK focused financial services provider, our scale and reach across the UK means that our franchise extends to 28 million customers with around 23 million digitally active. Operating through a range of brands and distribution channels, including the UK’s largest digital bank. We service all our customers’ banking needs through a comprehensive product range. Our scale and efficiency enables us to operate and invest more. We have over 66,000¹ colleagues employed by the Group and the Group’s operations are predominantly UK-based and as a result an analysis between UK and non-UK activities is not provided.

We have three core divisions that have been structured to optimise synergies and efficiencies to best serve our customers’ needs covering the below services and products:

Retail:
Consumer lending activities such as mortgages, credit cards, personal loans and motor finance
Consumer relationships such as current accounts, savings accounts and our mass affluent proposition.

Insurance, pensions and investments:
Home. motor and protection insurance, pensions and investments.

Commercial banking:
Business and commercial banking including business loans, transactional banking, working capital and merchant services
Corporate and institutional banking including lending, risk management, liquidity and debt capital markets

Our products and services are made available to our customers through our trusted brands, which enables us to address the needs of different customer segments more effectively. A list of our brands can be found on page 9 of the annual report and accounts 2024.

Distribution of the bank’s portfolio:
2024 Balance Sheet: Segmental analysis – Underlying profit as a % of the Group - Annual Report and Accounts 2024 page 71

- Retail 54%
- Insurance, Pensions and Investments 3%
- Commercial Banking 35%
- Equity Investments and Central Items 8%

1. Based on average headcount for FY 2024.

- [Group overview - Lloyds Banking Group plc](#)
- [Annual report and accounts 2024](#)
Business model, pages 8 to 11
2024 balance sheet: Segmental analysis, page 71
- [Sustainability metrics data sheet. 2024 – tab 12](#)

PRB Self-Assessment Report

Principle 1 – Alignment CNTD:

We will align our business strategy to be consistent with and contribute to individuals needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Reporting and self-assessment requirements

High level summary of the Group’s response

Links and reference(s) to the Group’s full response/relevant information

1.1 Business model - CNTD

Describe (high-level) your bank’s business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank’s portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Concentrations of exposure

The Group’s operations are predominantly UK-based and as a result an analysis of credit risk exposures by geographical region is not provided. Note 52 of the Annual Report and Accounts 2024 –Note 52 (B) page 174

Concentrations of exposure (audited)

The Group’s management of concentration risk includes portfolio controls on certain industries, sectors and products to reflect risk appetite as well as individual, customer and bank limit risk tolerances. Credit policies and appetite statements are aligned to the Group’s risk appetite and restrict exposure to higher risk countries and potentially vulnerable sectors and asset classes. Exposures are monitored to prevent both an excessive concentration of risk and single name concentrations. The Group’s largest credit limits are regularly monitored by the Board Risk Committee and reported in accordance with regulatory requirements. As part of its credit risk policy, the Group considers sustainability risk (which incorporates environmental (including climate), social and governance) in the assessment of Commercial Banking facilities.

At 31 December 2024 the most significant concentrations of exposure were in mortgages.

	2024 £m	2023 £m
Agriculture, forestry and fishing	6,338	7,038
Construction ¹	3,079	3,543
Energy and water supply	4,569	3,468
Financial, business and other services	36,924	35,112
Lease financing	17,144	17,374
Manufacturing	3,972	4,021
Mining and Quarrying ¹	169	335
Personal:		
Mortgages ²	330,840	323,627
Other	28,015	25,342
Postal and telecommunications	3,162	2,654
Property companies	19,252	20,904
Transport, distribution and hotels	9,584	10,044
Total loans and advances to customers before allowance for impairment losses	463,048	453,462
Allowance for impairment losses (note 21 to the consolidated financial statements, page 274)	(3,191)	(3,717)
Total loans and advances to customers	459,857	449,745

¹ Mining and quarrying, previously included within construction, is now presented separately.

² Includes both UK and overseas mortgage balances.

[Group overview - Lloyds Banking Group plc](#)

[Annual report and accounts 2024](#), financial statements – page 174

PRB Self-Assessment Report

Principle 1 – Alignment CNTD:

We will align our business strategy to be consistent with and contribute to individuals needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Reporting and self-assessment requirements

High level summary of the Group’s response

Links and reference(s) to the Group’s full response/relevant information

1.2 Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

1.2 Strategy alignment

Yes
 No

In February 2022, as part of our new strategy, we set out an ambition to become a truly purpose-driven organisation and we are taking steps to embed purpose at the core of our business decision making, operations and culture with the aim to deliver long-term and profitable growth while making a meaningful and positive difference for all stakeholders. Creating a sustainable and inclusive future is core to our purpose of Helping Britain Prosper. Guided by our Group’s strategy which is directly aligned to our purpose Helping Britain Prosper, we are focusing on areas where we can have impact, delivering our purpose while creating new opportunities for our future growth creating value for all our stakeholders. Our Group strategy centres around three priorities “Grow”, “Focus” and “Change” to help us achieve this.

We have identified purpose pillars which underpin how we are Helping Britain Prosper and support the delivery of the Group’s Strategy. These pillars represent areas where we believe we can deliver significant societal impact at scale for the UK, leveraging our core capabilities as an integrated financial services provider. They are built on the foundation of ongoing business activity and embedding sustainability in all that we do while acting in a trusted and responsible manner through risk management, conduct and governance. Sustainability objectives are embedded in our strategy and aligned to each of the strategic priorities. These relate to activities in the areas where we can have the biggest positive impact as a Group while reducing any negative impacts of our products and services.

In delivering on our objectives, we want to play our part in helping the UK to meet the targets set by the UN Sustainable Development Goals (SDGs). The SDGs provide a common framework for us to identify how we can play a more active role in the sustainable development of UK society and help us frame how we use our operating model, scale, resources and skillsets to respond to some of the biggest societal challenges faced by the UK today. When conducting our materiality review and impact assessment of our operations, products and services in line with the requirements of the UNEP FI Principles for Responsible Banking, we have considered, among other inputs, the SDGs with the highest materiality to our business and sector, to assist us in identifying our most material areas of societal impact.

As a large financial services provider with a focus on the UK we aim to support the UK transition to net zero, and we support the aims of the 2015 Paris Agreement, the UK Government’s net zero target, and the recommendations of the TCFD and have taken these into account in considering our Group Strategy and societal impact areas.

The SDG’s supported by the Group, and how they are aligned to our material ESG topics, including the stakeholders that they impact, can be found on page 11 of our 2024 Sustainability Report. Throughout our Sustainability Report we have chosen to demonstrate how our sustainability activities support the achievement of specific SDG sub-targets through selected examples and case studies. Our non-financial performance indicators in the Group Balanced Scorecard further drive progress against our ambitions, focus areas and the SDGs.

We have set several net zero ambitions across our Group to support the decarbonisation of our business in line with limiting global warming to 1.5°C. Our climate transition plan provides the plan and pathway to how we will achieve our Group ambitions and targets.

The Group holds memberships in initiatives to support the implementation of our strategy such as:

- The World Business Council for Sustainable Development
- The Equator Principles
- The UNEP FI Net-Zero Banking Alliance
- The UNEP FI Principles for Sustainable Insurance
- The Principles of Responsible Investment
- The United Nations Global Compact

More information on other memberships and initiatives that the Group participates in is available on pages 12 and 78 of the Sustainability Report 2024.

[Strategy and purpose - Lloyds Banking Group plc](#)

[Annual report and accounts 2024](#) pages 8 to 11, 16 to 29, and 46 to 60

[Sustainability report 2024](#) pages 6 to 13

PRB Self-Assessment Report

Principle 1 – Alignment CNTD:
 We will align our business strategy to be consistent with and contribute to individuals needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Reporting and self-assessment requirements	High level summary of the Group’s response	Links and reference(s) to the Group’s full response/relevant information
<p>Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?</p>	<ul style="list-style-type: none"> ✓ UN Guiding Principles on Business and Human Rights ✓ International Labour Organization fundamental conventions ✓ UN Global Compact <input type="checkbox"/> UN Declaration on the Rights of Indigenous Peoples ✓ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: ----- ✓ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: ----- <input type="checkbox"/> None of the above <ul style="list-style-type: none"> • The Group reports data required for the Companies (Directors Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 - Streamlined Energy & Carbon Reporting (SECR). • The Group is subject to environmentally related prudential guidance issued by the UK prudential regulator: UK Prudential Regulatory Authority’s SS3/19: Enhancing banks and insurers’ approaches to managing the financial risks from climate change. • FCA Listing rule on Task Force on Climate-Related Financial Disclosures (TCFD) compliance UKLR 6.6.6R(8). • UK Companies Act section 172 and 414CB (2A, 4A, 4B). • Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. • The Group complies with the requirements of the UK Modern Slavery Act 2015 and the UK Gender Equality Act 2010. 	<p>Sustainability report 2024 pages 12 and 78</p> <p>Annual report and accounts 2024</p> <p>Human rights policy statement</p> <p>Modern slavery and human trafficking statement 2024</p>

PRB Self-Assessment Report

Principle 2– Impact and Target Setting:

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Reporting and self-assessment requirements

High level summary of the Group’s response

Links and reference(s) to the Group’s full response/relevant information

2.1 Impact Analysis

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d):

a) Scope: What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

2.1 Impact Analysis *

In determining our priority areas of societal impact, we considered both materiality to the Group, level of influence the Group may feasibly have to achieve transformational change, as well as impact to our key stakeholders. We have reviewed our commercial exposures and operations, considered both the potential for positive and negative impact as well as risk mitigation.

A three-step approach was taken to conducting our impact analysis:

1) Evaluation of our impact

This involved the refreshing and re-evaluation of the Group’s purpose of Helping Britain Prosper through the identification of key impact areas that would allow the Group to translate our purpose into our business strategy. An internal view of our external context and environment was identified by consulting external frameworks (such as the UN Sustainable Development Goals), which led to the determination of areas of societal challenges, including environmental and social challenges, in the UK reflecting on material ESG issues identified by internal and external stakeholders. These societal challenges were reviewed and validated by both external and internal parties.

The Group then defined areas of societal impact by identifying which of the broader UK societal challenges and desired outcomes it could have tangible impact on, and which were material to the Group. A meaningful positive impact would be achieved through us leveraging our scale, skills, resources and market presence in the UK using our products and services. This involved the evaluation of our commercial exposures, operations, products and services to identify where the Group could play a role in addressing these challenges meaningfully and were therefore material to the Group.

In 2024 we confirmed validity of our analysis through a regular ESG reporting materiality review using stakeholder insights, and reporting frameworks as referenced on pages 48-52 of the Annual Report and Accounts and page 11 of the Sustainability Report 2024.

2) Performance measurement and target setting

There is ongoing engagement with business areas within the Group to measure, track progress and set targets related to the identified priority focus areas of impact and including them in business measurements such as senior management progress reporting and the Group Balance Scorecard. Performance is measured and reported to a Board level within the Group on our purpose pillars.

3) Accountability and reporting

Each of the identified purpose pillars have a senior leader champion, whose role is to help drive cross-Group collaboration, unblock issues and develop solutions, and assist in shaping the direction and ambition related to their specific focus area. Progress reporting to the Group Board is conducted regularly primarily via the Responsible Business Committee, and performance measures are discussed quarterly via balanced scorecard metrics or Group Executive Committee updates.

The Group annually discloses our progress on our Purpose and impact in our Annual Report and Accounts and Sustainability Report.

More information on the ESG materiality review and its outcomes are detailed on pages 48-52 of the Annual Report and Accounts 2024, and page 9 to 11 of the Sustainability Report 2024.

a)Scope

The Group’s initial impact analysis was conducted in 2020 as part of the ongoing Group strategic review.

The Group considered several financial indicators to determine materiality of the societal themes to the Group and the Group’s ability to achieve positive impact in these areas. To determine materiality to the Group, we considered the UK based operations and balance sheet exposures as of FYE 2019 and average annual revenue generation 2017-2019 across all the Group’s segments (including Retail, Insurance, Pensions and Investments, and Commercial Banking as indicated in 1.1). When balance sheet was considered, the analysis excluded financial and equity investments (e.g. LEIL), as well as liabilities from insurance and investment contracts, and non-UK operations due to their materiality (well below 5% of total income) and contribution to the Group. This ensured that the Group focused on the most material activities of the Group through which we can influence our external environment. Loans and advances to customers account for c.60% of the Group’s assets. The resulting analysis covered c.90% of the Group’s revenues, excluding non-UK operations and income from non-customer-related activities; we are confident this is a sufficient basis for the Group’s income analysis given all areas through which we can influence societal outcomes were considered.

Our impact assessment was initially started in 2020 and was reassessed post the COVID-19 pandemic to review any impact that the pandemic presented in terms of the identified societal issues and focus areas. It was identified that the pandemic had exacerbated previously identified societal issues and that the impact assessment and outcomes remained valid for the Group.

[Strategy and purpose - Lloyds Banking Group plc](#)

[Annual report and accounts 2024](#) pages 48 to 52

[Sustainability report 2024](#) pages 9 to 11

PRB Self-Assessment Report

Principle 2– Impact and Target Setting CNTD:

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Reporting and self-assessment requirements

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope
i) by sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors. 'Key sectors' relative to different impact areas, i.e., those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

High level summary of the Group's response

b) Yes

The Group considered balance sheet and income relating to our business activities in the UK which cover over the largest portion of our business, estimated to be around 97%, and considered sectors and industries as well as products and services. The impact assessment considered:

- The audited financial year end 2019 balance sheet exposure as per customer loans and advances, considering the analysis by sector breakdown, products and services to ensure the different business units of the Group were captured from a lending perspective. The analysis excluded financial and equity investment as well as liabilities from insurance and investment contracts. Loans and advances to customers account for c.60% of the Group's assets.
- The average annual revenue generation 2017-2019 across our Retail, Commercial and Insurance, Pensions and Investments (IP&I) divisions was reviewed excluding central items and income from financial and equity investments (incl. LEIL).

We used the financial data to determine materiality of identified societal themes to the Group's business (using sectoral split) and combined them with further qualitative considerations (such as the Group's scale, skills, resources, market presence in the UK, breadth of products and services) to determine the Group's ability to drive material positive impact on these societal themes. This allowed the Group to determine priority themes on which the business should focus as part of its strategic review. In our final assessment, we have also considered our operational footprint as an organisation including being one of the largest employers in the country with around 66,000 colleagues in the UK.

i) Concentration of exposure of the Group as per the, note 52 (B), page 291, 2019 Annual Report and Accounts.

(B) Concentrations of exposure

The Group's management of concentration risk includes single name, industry sector and country limits as well as controls over the Group's overall exposure to certain products. Further information on the Group's management of this risk is included within Credit risk mitigation, Risk management on page 142.

At 31 December 2019 the most significant concentrations of exposure were in mortgages (comprising 60 per cent of total loans and advances to customers) and to financial, business and other services (comprising 18 per cent of the total).

	2019 £m	2018 £m
Agriculture, forestry and fishing	7,558	7,314
Energy and water supply	1,432	1,517
Manufacturing	6,093	8,260
Construction	4,285	4,684
Transport, distribution and hotels	13,016	14,113
Postal and telecommunications	1,923	2,711
Property companies	27,596	28,451
Financial, business and other services	89,763	77,505
Personal:		
Mortgages ¹	299,141	297,498
Other	29,272	28,699
Lease financing	1,671	1,822
Hire purchase	16,497	15,434
Total loans and advances to customers before allowance for impairment losses	498,247	488,008
Allowance for impairment losses (note 18)	(3,259)	(3,150)
Total loans and advances to customers	494,988	484,858

¹ Includes both UK and overseas mortgage balances.

Following the reduction in the Group's non-UK activities, an analysis of credit risk exposures by geographical region has not been provided.

Links and reference(s) to the Group's full response/relevant information

[Annual report and accounts 2024](#)

[Sustainability report 2024](#)

[Annual report and accounts 2019](#) page 291

PRB Self-Assessment Report

Principle 2– Impact and Target Setting CNTD:

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Reporting and self-assessment requirements

c) **Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

High level summary of the Group’s response

c) As a financial services provider with a clear focus on the UK primarily, the Group combined the SDGs with several other frameworks to identify our key societal impact areas impacting the UK. Frameworks reviewed and consulted included:

- o OECD Better Life Index
- o OECD Economic Indicators and
- o UK-specific frameworks such as the Outcomes Matrix and Community Needs Score)
- o The UK objectives in Implementing the Sustainable Development Goals

These frameworks were overlayed with the Group’s exposures, scale and capabilities as an integrated financial services provider to identify social and environmental themes in the UK with long-term trends or challenges to a sustainable and inclusive future for the people and businesses of the UK. The identified themes were tested with several external experts from impact consultancies and internal experts such as customer insight and frontline teams across retail, commercial and insurance divisions, to ensure robustness and objectivity, and discussed with the Group Executive Committee (GEC) and the Group Board. For each of the themes we identified an outcome which would be desirable for the UK to ensure prosperity and sustainability in the longer term. The Group capabilities were then considered to identify where the Group could have a meaningful societal impact through leveraging our skills, scale, capabilities and resources, and thus support the UK in achieving the identified desired sustainable and inclusive societal outcomes.

- Societal themes and challenges identified initially for the UK included:
- challenges around home ownership and quality housing more broadly,
 - decreasing financial resilience – especially in lower income groups,
 - levels of quality employment,
 - UK decarbonisation objectives,
 - shortages of technical and digital skills,
 - regional inequalities and differences in productivity,
 - unequal opportunities across gender and race,
 - reduced sense of community, and
 - issues related to longer term health and mental health.

The impact assessment and themes are supported on an ongoing basis by topic specific materiality assessment such as ESG risk materiality portfolio reviews or ESG reporting materiality assessments. The Group continues to disclose the outcomes of its annual ESG materiality review in its reporting. This materiality review draws on the Global Reporting Initiative (GRI) Standards, the SASB standards, the World Economic Forum Stakeholder Capitalism Metrics, as well as stakeholder engagement outcomes with customers, NGO’s, colleagues, investors and regulators. It considers ESG materiality through potential impacts on the Group’s ability to continue to create value, and the Group’s potential impacts on society.

Links and reference(s) to the Group’s full response/relevant information

- [Annual report and accounts 2020, 2021, 2022, 2023, 2024](#)
- [Annual report and accounts 2024](#), External Environment page 12-15
- [Annual report and accounts 2024](#), Sustainability Review pages 45-60
- [Sustainability report 2024](#) – Value chain and materiality, page 11
- [Sustainable finance - Lloyds Banking Group plc](#)
- [Social sustainability - Lloyds Banking Group plc](#)
- [Supporting businesses - Lloyds Banking Group plc](#)
- [Supporting the UK housing market - Lloyds Banking Group](#)
- [Financial resilience and inclusion - Lloyds Banking Group plc](#)

PRB Self-Assessment Report

Principle 2– Impact and Target Setting CNTD:

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Reporting and self-assessment requirements

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)

High level summary of the Group’s response

We have identified purpose pillars which underpin how we are Helping Britain Prosper and support the delivery of the Group’s Strategy. These pillars represent areas where we believe we can deliver significant societal impact at scale for the UK, leveraging our core capabilities as an integrated financial services provider. They are built on the foundation of ongoing business activity and embedding sustainability in all that we do while acting in a trusted and responsible manner through risk management, conduct and governance.

Given our business exposure to these prioritised themes (c.90% of Group income, loans & advance and customer deposits), these are also areas where we can best achieve positive change by minimising our negative impacts on the society inherent to the nature of being a commercial financial services provider.

These purpose pillars help us in creating a more inclusive society and sustainable future which is core to our Group Purpose and strategy and include empowering people and businesses to a more prosperous future, improving access to quality housing, supporting the transition to net zero and protecting nature, diversity, equity and inclusion and supporting regional development.

We have prioritised the following three areas for target setting:

- Supporting the UK transition to net zero including emission reduction activities and sustainable finance opportunities to enable the transition.
- Helping every household in the UK have access to quality and affordable housing notwithstanding their income or tenure through a dedicated support to specialist local housing providers focusing on those most in need
- Building a more inclusive future for people and businesses, and to ensure that our own organisation is representative of modern-day Britain, which will allow us to create more inclusive products, services, and strategies.

Links and reference(s) to the Group’s full response/relevant information

[Sustainability report 2024](#)

d) Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.

The Group has assessed its exposure to high carbon emitting sectors and activities and estimated its baseline financed emissions. As a member of the UNEP FI’s Net-Zero Banking Alliance, the Group has committed to:

- aligning its portfolios and activities with pathways consistent with a maximum temperature rise of 1.5 °C;
- setting itself targets to be met by 2030 (or sooner) and 2050;
- focusing as a priority on its most emission-intensive sectors that will have a major impact in transitioning towards a low-carbon economy;
- basing its alignment targets on credible climate scenarios published by recognised bodies;
- being transparent, through annual reporting on its progress and action plans.

For more detail on our assessment of the emissions of our lending portfolio and investments, performance and metrics and targets used to measure our performance, please see our Sustainability Report 2024 pages 63-138

In 2023 the Group launched a public call for 1m new genuinely affordable homes to be built and made available to those on the lowest incomes, with a focus on supporting people at risk of, and experiencing homelessness and committed to drive action in this space. Several initial specific steps were announced in 2024, including a financing commitment to support local SME providers of housing for those most in need. See pages 14 – 23 of our Sustainability Report 2024 for more detail.

The Group has reviewed its diversity, equity and inclusion (DEI) performance and set targets to ensure that we are a business that reflects the society it serves. See pages 49-62 of our Sustainability Report 2024. Our DEI performance is detailed in KPI’s monitored at a Group level, and our DEI ambitions are included in the Group Balanced Scorecard. The Group has identified customers, sectors and industries of focus and their social impact, and have detailed performance progress from pages 14-48 of the Sustainability Report 2024.

[Sustainability report 2024](#), pages 14 to 48, pages 49 to 62, and pages 63 to 138

PRB Self-Assessment Report

Self-Assessment Summary

Reporting and self-assessment requirements

High level summary of the Group’s response

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?
 You can respond “Yes” to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

- | | | | |
|--------------------------|---|--------------------------------------|-----------------------------|
| Scope: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Portfolio composition: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Context: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Performance measurement: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

- Empower our customers and businesses to a more prosperous financial future
- Helping every household in the UK have access to quality and affordable housing, notwithstanding income and tenure
- Be a leading UK business for diversity, equity and inclusion supporting our customers, colleagues and communities
- Supporting regional development and communities
- Supporting the UK transition to net zero by advancing initiatives that address climate change and protecting nature

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: *(optional)*

PRB Self-Assessment Report

Principle 2– Impact and Target Setting:

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Reporting and self-assessment requirements

High level summary of the Group's response

Links and reference(s) to the Group's full response/relevant information

2.2 Target Setting

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

- a) **Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.
- b) **Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.
- c) **SMART targets** (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose. Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.
- d) **Action plan:** which actions including milestones have you defined to meet the set targets? Please describe.

2.2 Target Setting



Current targets:

a) Emission reduction and transition to net zero: Our Group climate transition plan included in our 2024 Group sustainability report sets out the steps we'll take to reduce emissions to net zero for our operations, supply chain and how we are addressing nature, Just Transition, engagement and data at the Group level. We outline specific activities happening in the Bank in the transition plan section. Our climate transition plan has been informed by guidance from the Glasgow Financial Alliance for Net Zero (GFANZ) and UK TPT, as well as guidance from the Task Force on Climate-Related Financial Disclosures (TCFD), all of which continue to evolve. We also remain a committed member of the World Green Building Council Net Zero Carbon Building initiative, and the Climate Group's campaigns on renewable electricity (RE100), energy productivity (EP100) and electric vehicles (EV100). We prioritise our target-setting on sectors with high emissions and/or material exposure and with readily available data. In our target setting approach, we select appropriate sector pathways from three scenarios (International Energy Agency Net Zero Emissions 2050 (IEA NZE 2050); UK Climate Change Committee Balanced Net Zero Pathway (CCC BNZP); International Energy Agency Technology Perspectives 2020 (IEA ETP 2020)).

a) Sustainable Finance: Supporting the transition of sectors to net zero and Helping every household in the UK have access to quality and affordable housing: Our Group Sustainable Financing Framework, launched in 2023 has been designed to set out our methodology for classifying whether certain financial products and services offered by Lloyds Banking Group may be described as sustainable for the purpose of tracking and disclosing the Group's progress against its sustainable financing targets. The Framework has been developed using references from a range of industry standards, market principles and good practice including which SDGs are supported through the framework. [Group's Sustainable Finance Framework](#). The framework covers the Group's Consumer lending, Business and Commercial Banking and Corporate and Institutional Banking eligible products. It sits alongside the Group's Sustainable Bond Framework and was updated during 2024 to incorporate, among other updates, the Group's Housebuilding Sustainability Finance Framework .

b,c) Emission reduction and transition to net zero

We have set several ambitions and pledges across our Group to support the decarbonisation of our business in line with limiting global warming to 1.5°C, including our supply chain ambition which was developed in 2022.

- a) Reduce the carbon emissions we finance by more than 50% by 2030 from a 2018 baseline covering scope 1 and 2 emissions
 - b) Net Zero Banking Alliance targets for high emitting sectors from baseline years of 2018-2021 – refer to page 82 of the sustainability report 2024
 - c) Supply chain emissions – net zero by 2050 or sooner from a 2021/2022 baseline
 - d) 50% reduction in the carbon footprint of our investments by 2030 from a 2019 baseline
 - e) Achieve net zero operations by 2030 and reduce our direct carbon emissions by at least 90% from a 2018/2019 baseline.
- For specific indicator codes as per Annex of the PRB Reporting and self-assessment template related to climate change mitigation, please see next page.

- a) **b, c) Sustainable Finance: Supporting the transition of sectors to net zero, and Helping every household in the UK have access to quality and affordable housing**
- b) £30 billion of sustainable finance lending for commercial banking customers by the end of 2026 from a 2024 baseline, including a new 2024 sub-target of a £200 million financing commitment to support local providers who provide housing to those who need it most. This is included in the £30 bn targets due to its social use of proceeds in line with the [Group's Sustainable Finance Framework](#)
- c) £8 billion of financing for EV and plug-in hybrid electric vehicles by 2024 from a 2022 baseline
- d) £10 billion of mortgage lending for EPC A and B rated properties by 2024 from a 2022 baseline, we aim to provide an additional £11 billion in EPC A/B lending by 2027.
- e) £20-£25 billion discretionary investment in climate aware strategies and £1 billion in climate solutions by 2025 from a 2020 baseline

a,b,c) Be a leading UK business for diversity, equity and inclusion supporting our customers, colleagues and communities - supportive of the FTSE Women Leaders Review and FCA Listing Requirements 9.8.6 (9) and the UK's Voluntary National Review of the SDG's 2019.

- a) 50% women in senior roles by 2025 from a 2021 baseline
- b) 13% Black, Asian and Minority Ethnic colleagues in senior roles by 2025 from a 2021 baseline
- c) 3% Black heritage representation in senior roles by 2025 from 2021 baseline
- d) 12% representation of people with disability in senior management roles by 2025 from a 2023 baseline.
- e) New refreshed 2030 ambitions for diversity, equity and inclusion: Reach a consistent gender balance of 45 to 55 per cent in executive roles by the end of 2030. We are moving to ranging goals between 3.5% and 4% for Black heritage and 19.5% and 22% for Black, Asian Minority Ethnic representation at executive levels by the end of 2030.

[Sustainability report 2024](#)

[Sustainable finance framework](#)

Principle 2– Impact and Target Setting:

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Reporting and self-assessment requirements

High level summary of the Group’s response

Links and reference(s) to the Group’s full response/relevant information

2.2 Target Setting

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

- a) **Alignment:** which international, regional or national policy frameworks to align your bank’s portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.
- b) **Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.
- c) **SMART targets** (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose. Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.
- d) **Action plan:** which actions including milestones have you defined to meet the set targets? Please describe.

- d) For actions supporting these targets and ambitions, please see the sustainability report 2024
 - Supporting the UK transition to Net Zero and protecting nature page 63-124
 - Sustainable Finance page 66
 - Helping every household in the UK have access to quality and affordable housing pages 14-23
 - Be a leading UK business for diversity, equity and inclusion supporting our customers, colleagues and communities’ pages 49-62

[Sustainability report 2024](#), pages 14 to 23, 49 to 124.

PRB Self-Assessment Report

b) Table of indicators as per Annex of the UNEP FI PRB Reporting template related to climate mitigation

Impact area	Indicator code	Response	Indicator code	Response	Indicator code	Response
Climate change mitigation	A 1.1 Climate strategy	Yes, page 64 of the sustainability report 2024	A 2.1 Client engagement process	Yes, pages 77 to 78 of the sustainability report 2024	A 3.2 Financial volume lent to/invested in carbon intensive sectors and activities and transition finance	Page 80 of the sustainability report 2024
	A 1.2 Paris alignment target	Yes, page 65 of the sustainability report 2024	A 2.2 Absolute financed emissions	Page 83 of the sustainability report 2024	A 4.1 Reduction of GHG emissions financed	page 83 of the sustainability report 2024
	A 1.3 Policy and process for client relationships	Yes, pages 77 to 78 of the sustainability report 2024	A 2.3 Sector-specific emissions intensity	Page 82 of the sustainability report 2024	A 4.2 Portfolio alignment	Page 85 of the sustainability report 2024
	A 1.4 Portfolio analysis	Yes, pages 79 to 84 of the sustainability report 2024	A 2.4 Proportion of financed emissions covered by a decarbonisation target	Page 82 of the sustainability report 2024		
	A 1.5 Business opportunities and financial products	Yes, pages 89 to 114 of the sustainability report 2024	A 3.1 Financial volume of green assets/low carbon technologies	Page 66 of the sustainability report 2024		

PRB Self-Assessment Report

Self-Assessment Summary			
Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...			
Reporting and self-assessment requirements	High level summary of the Group's response		
	<ul style="list-style-type: none"> Tackling the climate crisis which is key in the transition to net zero including emission reduction activities 	<ul style="list-style-type: none"> Sustainable finance opportunities to enable the transition and helping every household in the UK have access to quality and affordable housing 	<ul style="list-style-type: none"> Building an inclusive, diverse and equitable organisation allow us to create more inclusive products, services, and strategies.
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

PRB Self-Assessment Report

Principle 2– Impact and Target Setting:
 We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Reporting and self-assessment requirements	High level summary of the Group’s response	Links and reference(s) to the Group’s full response/relevant information
<p>2.3 Target implementation and monitoring For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Report on your bank’s progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.</p> <p><i>Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only):</i> describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.</p>	<p>2.3 Target implementation and monitoring ⊛</p> <p>Sustainable finance, Helping every household in the UK have access to quality and affordable housing, and emission reduction supporting the transition of the UK to net zero: The summary of the activity we have taken to date in support of this theme and targets can be found on pages 66, 14-23 and 63-124 of the sustainability report 2024.</p> <p>We continue to refine our estimates of financed emissions as we enhance our understanding, calculation methodologies and data. Further details on our calculation methodology can be found within the sustainability metrics basis of reporting.</p> <p>Be a leading UK business for diversity, equity and inclusion supporting our customers, colleagues and communities’ : The summary of the activity that we have taken to date in support of this theme and targets can be found on pages 49-62 of our sustainability report 2024.</p>	<p>Sustainability report 2024, pages 66, 14 to 23, 49 to 62, and 63 to 124</p> <p>Sustainability metrics basis of reporting</p>

PRB Self-Assessment Report

Principle 3– Clients and Customers:

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Reporting and self-assessment requirements

High level summary of the Group’s response

Links and reference(s) to the Group’s full response/relevant information

3.1 Client engagement

Yes In progress No

Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?

The Code of Ethics and Responsibility brings together the different elements that define how we work and ensure that we do business responsibly and in support of our Purpose. At Lloyds Banking Group, being purpose-driven means operating ethically, sustainably and inclusively, meeting our legal requirements and always considering our impact on our customers, colleagues, the environment and society. Our policies, procedures and standards set the foundations for our behaviours and decision-making. These translate the Group’s risk appetite into mandatory requirements.

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Our risk appetite for managing ESG risk is part of the Group’s credit risk management framework where we have internal policies and controls in place to outline our approach. These internal policies are also aligned to the Groups external sector statements. The external sector statements outline the types of activities we will and will not support. More information on our approach to ESG in risk policies and frameworks is available on page 125 - 139 of the sustainability report 2024.

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities). It should include information on relevant policies, actions planned/implemented to support clients’ transition, selected indicators on client engagement and, where possible, the impacts achieved.

Our Group external sector statements are available at our [sustainability downloads](#) on our Group website.

Our Group climate transition plan sets out the steps we will take to reduce emissions to net zero for our operations, supply chain and how we are addressing nature, Just Transition, engagement and data at the Group level. We outline specific activities happening in the Bank in the transition plan section. More detail on how we are working with clients to transition to net zero is available in our Group Transition plan on pages 63 to 124 of our sustainability report 2024.

[Sustainability report 2024](#), pages 63 to 124

[Lloyds Banking Group code of ethics and responsibility](#)

[Lloyds Banking Group human rights policy statement](#)

[Lloyds Banking Group modern slavery and human trafficking statement](#)

[Lloyds Banking Group sector statements](#)

[Downloads - Lloyds Banking Group plc](#)

Scottish Widows [responsible investment](#)

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

In 2024, we have identified and achieved the following strategic business opportunities:

- £2.2 billion of new funding supported to the social housing sector
- £15.1 billion of funding provided to first time buyers
- Supported £10.7 billion in sustainable finance for corporate and institutional customers in 2024, made up of:
 - £3.7 billion in sustainable bonds
 - £1.5 billion in sustainable business financing
 - £3.5 billion in sustainability linked loans
 - £2.0 billion in lending-use of proceeds
- Supported £9.4 billion in financing of electric vehicles and plug-in hybrid electric vehicles since 2022
- £11.4 billion in EPC A/B mortgage lending since 2022
- £25.9 billion achieved in discretionary climate aware investment since 2020.

Building on our progress in transforming the diversity, equity and inclusion of our business enables the Group to develop more inclusive and accessible products and develop strategies to support minority or disadvantaged business owners. We have gathered insights from our work on our colleague diversity, equity and inclusion in our organisation, and since 2021 we have been developing strategies to support minority or disadvantaged business owners as part of our focus on building an inclusive future. In 2024, we have engaged more than 8,726 Black, women and disabled entrepreneurs with over 32,000 hours of support through our programmes and initiatives. We have also had over 14,134 visits to our Black business hub, which acts as a central resource that we signpost businesses to. More detail on this progress and these initiatives is available in our sustainability report 2024 page 34 – 36

[Sustainability report 2024](#), pages 34 to 36, and 66

[Sustainable financing framework](#)

PRB Self-Assessment Report

Principle 4– Stakeholders:

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals..

Reporting and self-assessment requirements

High level summary of the Group’s response

Links and reference(s) to the Group’s full response/relevant information

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process. Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

Yes In progress No

Talking and listening to our stakeholders is intrinsic to our business acting responsibly. This engagement allows us to determine the important topics from an environmental and social perspective. We then analyse material topics that have an impact on our stakeholders but are also of a strategic importance to us as a Group. Annually, we review ESG-related topics raised through our own analysis of both our external and internal environments, such as our geography, markets in which we operate, sector, products, services and activities as well as through horizon scanning and stakeholder engagement. A summary of the issues considered material and the stakeholders that they impact as well as links to our response is available on page 11 of the sustainability report 2024.

Stakeholder engagement takes place at all levels within the Group and is an important part of how we are delivering on our purpose of Helping Britain Prosper. The Board continues to engage both directly and indirectly with its stakeholders. This engagement helps to provide a better understanding of stakeholders’ points of view, and the impact the Group has on their day to day lives. Read more about the engagement of Board members with stakeholders on pages 76 of our annual report and accounts 2024. A summary of issues and decisions over which the Board made key decisions impacting stakeholders while considering their feedback is available on pages 40 of the annual report and accounts 2024.

The Board requires stakeholder implications to be considered by senior management in all proposals submitted to the Board from across the Group, both within the papers and as part of the accompanying presentations. Senior management routinely provides the Board with details of stakeholder interaction and feedback through their regular business updates and in their interactions both inside and outside of the board room. Managing stakeholder interests also forms a key part of the Board’s delegation of the day-to-day management of the business to senior management.

We acknowledge the growing focus of materiality in ESG reporting and regulations across the globe. We continue to review industry developments related to the identification of material ESG-related topics from a double materiality perspective to ensure that the information needs of our shareholders and broader stakeholders are considered.

In 2024, we continue to explore and evolve our approach to double materiality, leveraging existing materiality processes and tools with the aim of embedding a double materiality assessment. The Group continues to consider the regulatory landscape and is preparing for readiness to report in alignment with the UK government adoption of the ISSB and the implementation of CSRD reporting for selected EU entities from 2026, with the remainder of the Group falling into scope for CSRD reporting from 2028. We don’t yet have all the answers, and we continue to work with our stakeholders to evolve our approach. We expect to iterate our plans in the coming years as a result and as guidance converges around more defined recommendations.

[Sustainability report 2024](#), page 11

[Annual report and accounts 2024](#), page 40

PRB Self-Assessment Report

Principle 5– Governance & Culture:

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

Reporting and self-assessment requirements

High level summary of the Group’s response

Links and reference(s) to the Group’s full response/relevant information

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

5.1 Governance Structure for Implementation of the Principles

Yes In progress No

Governance of Sustainability Performance:

Given the strategic importance of our sustainability ambitions and commitment in managing the impacts arising from climate change and broader social issues, our governance structure provides clear oversight and ownership of the Group’s sustainability strategy and management of risk. Sustainability-related responsibilities at Board level are in place with the sub-committee of the Board, the Responsible Business Committee (RBC), with additional responsibility in relation to sustainability-related matters shared with the Audit Committee and Board Risk Committee. This ensures appropriate coordination and cooperation on these matters. The RBC is chaired by Amanda McKenzie and receives updates on a quarterly basis on the status of our Purpose implementation and societal focus areas as well as an annual update on our Principles for Responsible Banking compliance.

More information on the role of these committees and structures in supporting our Purpose and our sustainability ambitions, and the Group roles and responsibilities is available on page 140 of the sustainability report 2024 and the annual committee reports are available on pages 97 of the Governance Report within the annual report and accounts 2024.

Remuneration and balanced scorecard:

Our annual balanced scorecard provides transparency on how our performance aligns with 2024 GPS and 2025 LTIP awards. In 2024, the weighting related to sustainability performance measures in the Group balanced scorecard was 20 per cent, continuing our focus on climate change ambitions and our ongoing commitment to improving diversity and engagement within the Group.

Sustainability measures included within our scorecard are as follows:

- Increasing our gender and ethnic representation in senior roles (7.5 per cent)
- Reducing our operational carbon emissions (5 per cent)
- Culture and colleague engagement (7.5 per cent)

Progress against our targets in 2024 is set out on pages 119 and 132 of the annual report and accounts 2024. Full details on the LTIP can be found on pages 119 of the 2024 annual report and accounts.

[Sustainability report 2024](#), page 140

[Annual report and accounts 2024](#), page 97, 119 and 132

[Corporate governance - Lloyds Banking Group plc](#)

[Responsible Business Committee Terms of Reference](#)

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

In 2024, We continue to educate our Group Board members on sustainability matters. A specific training session was delivered to the Group Board on double materiality assessment, how it will support the Group’s understanding and prioritisation of sustainability issues and influence strategic decision making and assist us in fulfilling our future reporting disclosure requirements. Our colleagues are vital to the Group in delivering on our sustainability ambitions and managing our risks and opportunities. During 2024 in order to upskill our colleagues we have delivered training across a number of areas such as: nature, modern slavery and human trafficking and ESG training specific to our commercial banking colleagues focused on our sustainable finance framework, ESG credit risk and The Equator Principles and the Group’s technology sustainability framework for making more sustainable technology decisions. See page 142 of our sustainability report 2024

Our colleagues are key in delivering the Group’s ambitious transformation and growth strategy, which also sets out a plan to be a purpose-driven business, and we recognise our culture is a fundamental enabler of that. Our leaders play a crucial role in the cultural change. Following on from the senior leadership development programme centred around the organisational shifts we completed in 2023, all 340 senior leaders were brought together in smaller groups, over two days immersed on how we take a “customer back” approach, innovate, drive quicker and more accountable decision-making, and raise the performance bar for our customers. This was taken further down the organisation through one-day sessions with other senior leaders, who collectively lead circa 75% of our colleagues. In driving the change, leaders are supported by a movement of over 6,300 colleagues as ‘Catalysts’ across the business. Representing more than 10 per cent of our colleague population, these changemakers role model our values and purpose, share stories and drive improvements by challenging the status quo and unblocking issues. Our Catalysts inspire everyone across the Group to help us become a truly purpose-driven organisation.

[Annual report and accounts 2024](#)
CEO Statement
Remuneration report.

[Sustainability report 2024](#)

PRB Self-Assessment Report

Principle 5– Governance & Culture CNTD:

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

Reporting and self-assessment requirements	High level summary of the Group’s response	Links and reference(s) to the Group’s full response/relevant information
<p>5.3 Policies and due diligence processes Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.</p> <p>Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio.</p>	<p>We are continuously enhancing our capabilities to identify, evaluate, and effectively manage ESG related risks. Our approach is centred around the concept of ‘inbound and outbound risk’, allowing us to assess both the inbound risks affecting our balance sheet and the outbound risks of our balance sheet on society and the planet.</p> <p>Details of our ESG Credit framework and activity in both the commercial lending and consumer lending portfolios can be found on page 127 of the sustainability report 2024.</p>	<p>Sustainability report 2024, page 127</p> <p>Lloyds Banking Group sector statements</p> <p>Lloyds Banking Group human rights policy statement</p> <p>Downloads - Lloyds Banking Group plc</p>

PRB Self-Assessment Report

Self-Assessment Summary	
Reporting and self-assessment requirements	High level summary of the Group's response
Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

PRB Self-Assessment Report

Principle 6– Transparency & Accountability:

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.

Reporting and self-assessment requirements

High level summary of the Group’s response

Links and reference(s) to the Group’s full response/relevant information

<p>6.1 Assurance</p> <p>Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?</p> <p>If applicable, please include the link or description of the assurance statement.</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> Partially <input type="checkbox"/> No </p> <p>Lloyds Banking Group have obtained independent limited assurance on selected information required by the United Nations Environment Program Finance Initiative Principles for Responsible Banking Framework reported by the Group in this Reporting and Self-Assessment Template in addition to specific key performance indicators, assertions and data disclosed in our annual report and accounts 2024, sustainability report 2024, and sustainability metrics data sheet 2024. Deloitte were appointed to provide independent limited assurance over certain data points within this annual report, indicated with a (*). The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)). This independent assurance report is separate from Deloitte’s audit report on the financial statements and is available at our sustainability downloads. This report includes further detail on the scope, respective responsibilities, work performed, limitations and conclusions.</p>	<p>Deloitte independent assurance Statement</p>
<p>6.2 Reporting on other frameworks</p> <p>Does your bank disclose sustainability information in any of the listed below standards and frameworks?</p> <p> <input checked="" type="checkbox"/> GRI <input checked="" type="checkbox"/> SASB <input checked="" type="checkbox"/> CDP <input type="checkbox"/> IFRS Sustainability Disclosure Standards (to be published) <input checked="" type="checkbox"/> TCFD <input checked="" type="checkbox"/> Other: ... </p>	<p>Sustainability disclosures are prepared based on global sustainability frameworks, standards and voluntary initiatives including:</p> <ul style="list-style-type: none"> - GRI - SASB - WEF Stakeholder Capitalism Metrics - TCFD - NZBA - CDP - UNGC Communication of Progress Report - UNEP FI PRB - The Financial Reporting Council Strategic Reporting Guidelines 	<p> Sustainability reporting frameworks index 2024 Sustainability report 2024 Annual report and accounts 2024 Lloyds Banking Group human rights policy statement Lloyds Banking Group modern slavery statement </p>
<p>6.3 Outlook</p> <p>What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis , target setting and governance structure for implementing the PRB)? Please describe briefly.</p>	<p>In 2025 the Group will aim to develop further targets to support the focus areas of our purpose building on the basis of our 2024 performance and progress. Our purpose-driven strategy and strong business model ensures that we can continue to support customers and achieve our societal and strategic goals whilst delivering against our financial targets.</p> <p>Some examples of key initiatives and progress anticipated in 2025 are included throughout the sustainability report 2024 and include, but are not limited to the following examples:</p> <ul style="list-style-type: none"> • To support communities, we will focus on expanding the Crisis Changing Lives programme and we'll help fund Crisis' frontline services across their network of nine Skylight centres. • We will continue to actively promote sustainable travel options and monitor international travel emissions. We commit to putting controls in place to minimise emissions to a residual essential level. • We will continue to make progress against our operational climate pledges as detailed on page 71 of the sustainability report 2024. • We will take forward actions on our transition plan by system as detailed on pages 89-114 of the sustainability report 2024 • While the Group is currently not directly in scope for the CSDDD, we continue to monitor the adoption and revision of the CSDDD within the EU to assess any implication this may have on the Group and its subsidiaries • CSRD: The Group continues to consider the regulatory landscape and is preparing for readiness to report in alignment with the UK government adoption of the International Sustainability Standards Board (ISSB) and the implementation of the EU’s Corporate Sustainability Reporting Directive (CSRD) reporting for selected EU entities from 2025, with the remainder of the Group falling into scope for CSRD reporting from 2028. 	<p> Sustainability report 2024, pages 71 and 89 to 114 Annual report and accounts 2024, pages 45 to 104 </p>

PRB Self-Assessment Report

Principle 6 – Transparency & Accountability:

Reporting and self-assessment requirements

High level summary of the Group’s response

6.4 Challenges
 What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months

- | | |
|--|--|
| <input checked="" type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

Examples of actions taken to address these challenges are included per topic in our sustainability report 2024. Examples include but are not limited to:

Embedding PRB oversight into governance - The Group has focused on our colleagues and how we transform to be a purpose-driven business and creating a culture that enables the delivery of the transformation and growth strategy. Page 142 of the 2024 sustainability report details some of the training and initiatives run in 2024 to further this progress.

Data quality and setting targets: The sustainability report 2024 pages related to our Transition plan pages 89 to 114 highlights detail on data challenges, dependencies, complexities and limitations in measuring financed emissions, setting baselines and setting targets and how the Group is responding, including examples such as:

- Our operating model has evolved since setting our travel pledge in 2021. With the Group drawing more select skills from the global market, we have therefore had to re-assess our existing travel pledge commitment. The operating model evolution has impacted our carbon emissions through a need for increased international travel by our colleagues. From reporting year 2023/24, we have revised the elements reported within our travel pledge to focus on domestic travel only aligned with our action plans.
- On our bank financed emissions, we continue to refine our estimates of financed emissions as we enhance our understanding, calculation methodologies and data.
- We have included within our £30 billion of sustainable finance lending for commercial banking customers by the end of 2026 from a 2024 baseline, a new 2024 sub-target of a £200 million financing commitment to support local providers who provide housing to those who need it most.

Sustainability Accounting Standards Board (SASB) Index

Lloyds Banking Group has been reporting against the SASB disclosure framework since 2020. We continue to review and enhance our framework and methodologies for reporting our sustainability performance and in doing so, we have identified the SASB disclosure framework as being an important reporting tool that addresses the needs of our investors.

The table details our disclosures against the SASB standards and indicators. Lloyds Banking Group is a UK focused financial services provider and therefore, where required, certain indicators have been adapted to reflect this. We have adapted these indicators with the intention of preserving the spirit and meaning of the indicator to allow investors to use the information for decision making purposes in-line with the SASB Framework and Guidelines. If an indicator is applicable across more than one business area or the disclosure is at Group level, this is shown in the table.

We have included references to relevant information in our 2024 annual reporting suite and any supplementary information that may support our disclosures.

Additional sustainability-related information can be found in the Lloyds Banking Group [sustainability downloads](#).

Key

ARA: [Lloyds Banking Group annual report and accounts 2024](#)

SR: [Lloyds Banking Group sustainability report 2024](#)

SD: [Lloyds Banking Group sustainability metrics datasheet 2024](#)

FN-AC: Asset Management and Custody Activities

FN-CB: Commercial Banks

FN-CF: Consumer Finance

FN-IN: Insurance

FN-MF: Mortgage Financing



Sustainability Accounting Standards Board

Group level indicators - the following disclosures are taken from individual standards and disclosed at a Group level to reflect a business-wide approach or apply to more than one business area.

Topic	Account metric	Disclosure	SASB Code
Customer privacy	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Regulatory and litigation matters ARA page 205 Note 38: Contingent liabilities, commitments and guarantees ARA, pages 297 to 298	FN-CF-220a.2
Data security	Description of approach to identifying and addressing data security risks	Climate Risk, ARA, pages 34 and 150 to 153 Operational risk, ARA, pages 37 and 196-197 Cyber security and data privacy, SR page 147	FN-CB-230a.2 FN-CF-230a.3
	Card-related fraud losses from card-not present fraud and card-present and other fraud	Operational risk events by risk category, ARA, page 196	FN-CF-230a.2
Financial inclusion and capacity building	Number of checking and savings accounts by segments: personal and small business	Supporting customers to save, SR, p26 Empowering businesses, SR page 33 Commercial Banking deposits – total customer deposits to all Commercial Banking clients (£bn), ARA, page 63	FN-CB-000.A
	Number of loans by segments: personal, small business and corporate	Balance sheet analysis, underlying loans and advances to customers (£bn), ARA page 63	FN-CB-000.B
	Amount of loans outstanding qualified to programs designed to promote small business and community development	Regional development inc. CDFI SR, pages 42 to 44 SD, tab 9	FN-CB-240a.1
	Amount of past due and non-accrual loans qualified to programmes designed to promote SME and Community Development	Customers receiving support from UK Government sponsored programmes, ARA, page 158	FN-CB-240a.2
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers*	Share of social bank accounts SD, tab 6	FN-CB-240a.3
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Empowering education SR, pages 38-40	FN-CB-240a.4

Topic	Account metric	Disclosure	SASB Code
Incorporation of environmental, social and governance factors in credit analysis	Description of approach to incorporation of environmental, social and governance factors in credit analysis	Risk management SR, pages 125 to 135 Climate Risk, ARA, pages 34 and 150 to 153 Physical and transition risk assessments, ARA page 283	FN-CB-410a.2 FN-AC-410a.2
Policies designed to incentivise Responsible Behaviour	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviours	Conducting business responsibly SR, Pages 143 Our frameworks, SR, pages 12 to 13 The path to net zero, SR, page 68 <u>Code of Ethics and Responsibility</u>	FN-IN-410b.2
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Note 38: Contingent liabilities, commitments and guarantees ARA, pages 297 to 298	FN-CB-510a.1 FN-AC-510a.1
	Description of whistle-blower policies and procedures	Supporting colleagues – Speak Up and whistleblowing, ARA pages 96 and 103 Whistleblowing, SR, page 148 SD, tab 26	FN-CB-510a.2 FN-AC-510a.2

Sustainability Accounting Standards Board

Group level indicators - the following disclosures are taken from individual standards and disclosed at a Group level to reflect a business-wide approach or apply to more than one business area.

Topic	Account metric	Disclosure	SASB Code
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Sector target summary SR, page 82 Our bank financed emissions SR, page 83 SD, tabs 17 to 21	FN-CB-410b.1 FN-AC-410b.1 FN-IN-410c.1
	Gross exposure for each industry by asset class	Exposure to customers in sectors with increased climate risk, SR, page 81	FN-CB-410b.2 FN-IN-410c.2
	Percentage of gross exposure included in the financed emissions calculation	Sector target summary SR, page 82	FN-CB-410b.3 FN-IN-410c.3
	Description of the methodology used to calculate financed emissions	Sector target summary SR, page 82 Our bank financed emissions SR, page 83 Group financed emissions, basis of reporting, pages 8 to 9	FN-CB-410b.4 FN-AC-410b.4 FN-IN-410c.4
	Total amount of assets under management (AUM) included in the financed emissions disclosure	Metrics and targets SR, pages 121-123	FN-AC-410b.2
	Percentage of total assets under management (AUM) included in the financed emissions calculation	Metrics and targets SR, pages 121-123	FN-AC-410b.3
	Systemic Risk Management	Global Systemically Important Bank Score, by Category	The Group is not classified as a G-SIB but is subject to MREL. Capital risk, ARA pages 144 to 150
Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities		Stress testing ARA, page 142 to 143	FN-CB-550a.2

Topic	Account metric	Disclosure	SASB Code
Systemic risk management (insurance)	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	(C) Derivatives, Valuation hierarchy, ARA page 265	FN-IN-550a.1
	Total fair value of securities lending collateral assets	Collateral, ARA pages 156 to 157, 176 and 180	FN-IN-550a.2
	Description of approach to managing capital and liquidity - related risks associated with systemic non-insurance activities	Capital risk, ARA, pages 144 to 150 Liquidity risk, ARA, pages 183 to 189	FN-IN-550a.3
Selling practices	Number of complaints filed with the Consumer Financial Protection Bureau (CFPB)*	FCA reportable complaints per 1,000 accounts SD, tab 27	FN-CF-270a.4
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Note 38: Contingent liabilities, commitments and guarantees ARA, pages 297 to 298	FN-CF-270a.5

Sustainability Accounting Standards Board

Group level indicators - the following disclosures are taken from individual standards and disclosed at a Group level to reflect a business-wide approach or apply to more than one business area.

Topic	Account metric	Disclosure	SASB Code
Lending practices	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	Note 38: Contingent liabilities, commitments and guarantees ARA, pages 297 to 298	FN-MF-270a.3
Discriminatory lending	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	Note 38: Contingent liabilities, commitments and guarantees ARA, pages 297 to 298	FN-MF-270b.2
Transparent information & fair advice for customers (I&W)	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	Note 38: Contingent liabilities, commitments and guarantees ARA, pages 297 to 298	FN-AC-270a.2
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers	Note 38: Contingent liabilities, commitments and guarantees ARA, pages 297 to 298	FN-IN-270a.1
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Our colleagues, ARA, pages 30 to 32 Our 2024 diversity, equity and inclusion performance SR, page 50 SD, tab 10	FN-AC-330a.1

Topic	Account metric	Disclosure	SASB Code
Transparent Information & Fair Advice for Customers (I&W)	Description of approach to informing customers about products and services	Customers and clients, ARA, page 86 Conducting business responsibly SR, page 143 Empowering customers, SR, pages 25 to 32 Our frameworks, SR, pages 12 to 13 The path to net zero, SR, page 68	FN-IN-270a.4 FN-AC-270a.3
	Complaints-to-claims ratio	FCA reportable complaints per 1,000 account SD, tab 28	FN-IN-270a.2
	Customer retention rate	Customer satisfaction net promoter score ARA, page 28 SD, tab 28	FN-IN-270a.3

Sustainability Accounting Standards Board

Insurance and wealth banking - the following disclosures are taken from individual standards and disclosed for insurance and wealth only.

Topic	Account metric	Disclosure	SASB Code
Incorporation of environmental, social and governance factors in investment management	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	Responsible Investment framework, SR, page 13 Scottish Widows risk management, SR, pages 136 to 138, 141 & 143 Our Responsible Investment implementation tool, SR page 117 Taskforce on Climate-related Finance Disclosure (TCFD), ARA, pages 42 to 43	FN-IN-410a.2
Environmental risk exposure (insurance)	Total amount of monetary losses attributable to insurance payouts from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	Percentage of expected losses SR, page 138	FN-IN-450a.2
	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	Scottish Widows risk management SR, pages 136 to 138	FN-IN-450a.3
Incorporation of environmental, social, and governance factors in investment management & advisory	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	Scottish Widows risk management SR, pages 136 to 138 Taskforce on Climate-related Finance Disclosure (TCFD), ARA, pages 42 to 43	FN-AC-410a.2
	Description of proxy voting and investee engagement policies and procedures	Our Responsible Investment implementation tool, SR page 117 Sustainability Governance, ARA, pages 88 to 89	FN-AC-410a.3
Activity metrics - disclosed to allow for normalisation and comparison of data	(1) Total registered and (2) total unregistered assets under management (AUM)	Insurance, Pensions and Investments, ARA, pages 69 and 74	FN-AC-000.A

Retail banking - the following disclosures are taken from individual standards and disclosed for retail banking only.

Topic	Account metric	Disclosure	SASB Code
Environmental risk to mortgaged properties	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	Risk management SR, pages 125 - 135 Taskforce on Climate-related Finance Disclosure, ARA, pages 42 to 43	FN-MF-450a.3
Lending practices	Value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above or below 660	UK Mortgages ARA, pages 159 to 160, 166 and 175	FN-MF-270a.1
	Value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosure, by FICO scores above and below 660	Retail forbearance ARA, page 176 to 177	FN-MF-270a.2
Activity metrics - disclosed to allow for normalisation and comparison of data	Value of mortgages originated by category: (a) residential and (b) commercial	Commercial Banking UK Real Estate ARA, page 178	FN-MF-000.A
	Value of mortgages purchased by category: (a) residential and (b) commercial	UK Mortgages ARA, pages 164, 166 and 175	FN-MF-000.B

GRI Standards Content Index

Our 2024 sustainability report and this accompanying index have been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. This GRI Index covers our material topics and follows GRI Standards 2016 and, where relevant, 2018.

We use the GRI framework to maintain the rigour of our annual sustainability reporting. The reporting follows the calendar year (noting that our environmental indicators relate to the period 1 October to 30 September) and covers all our legal entities.

Occupational health and safety data covers all employees and workers. Diversity data covers all permanent colleagues including international colleagues, those on parental/ maternity leave, absent without leave and long-term sick; however, it excludes contractors, Group non-executive directors, temps and agency staff.

We include information and data related to our strategy, governance, initiatives, processes, performance and progress against our sustainability priorities. Additional sustainability-related information, that can be found in the Lloyds Banking Group [sustainability downloads](#).

Key

ARA: [Lloyds Banking Group annual report and accounts 2024](#)

SR: [Lloyds Banking Group sustainability report 2024](#)

SD: [Lloyds Banking Group sustainability metrics datasheet 2024](#)



GRI standards

General standard disclosures			
Disclosure	Description	References 2024	Further comments
Organisation profile			
2-1	Organisation details	Lloyds Banking Group	
2-2	Entities included in sustainability reporting	Lloyds Banking Group and its subsidiaries	
2-3	Reporting period, frequency and contact point	<p>The data and examples across our annual reporting suite, reflect activities undertaken during the 2024 fiscal year (1 January to 31 December 2024) and, where relevant to performance, refer to activities and events before and after this period.</p> <p>Our annual reporting suite was published on the 20th February, 2025.</p> <p>Contact us</p>	
2-5	External assurance	<p>Deloitte Non-Financial Assurance Opinion</p> <p>Deloitte Non-Financial Assurance Statement opinion</p>	
2-6	Activities, value chain and other business relationships	<p>Our business model, ARA, pages 8-11</p> <p>Our business model, value chain and materiality, industry partnerships, SR, pages 7 to 8, and 11 to 12</p>	
2-7	Employees	<p>Our colleagues, ARA, pages 30 to 32</p> <p>Our 2024 diversity, equity and inclusion performance, SR, page 50</p> <p>Supporting our colleagues, SD, tab 12</p>	
2-8	Workers who are not employees	Number of employees (full-time equivalent), ARA, page 71	

GRI standards

General standard disclosures			
Disclosure	Description	References 2024	Further comments
2-9	Governance structure and composition	Governance with purpose, ARA, pages 75 to 90	
2-10	Nomination and selection of the highest governance body	Nomination and Governance Committee report, ARA, pages 97 to 99	
2-11	Chair of the highest governance body	Chair's statement, Robin Budenberg, ARA, page 76	
2-12	Role of the highest governance body in overseeing the management of impacts	Division of responsibilities, ARA, page 91 Composition, succession and evaluation, ARA, page 92 to 95	
2-13	Delegation of responsibility for managing impacts	Responsible business committee report, ARA, page 109 Group roles, responsibilities and remuneration, SR, page 139 Scottish Widows governance, SR, page 140	
2-14	Role of the highest governance body in sustainability reporting	Sustainability governance, ARA, pages 88 to 89 Group roles, responsibilities and remuneration, SR, page 140 Scottish Widows governance, SR, page 141	
2-15	Conflicts of interest	Conflicts of interest, ARA, page 134	
2-16	Communication of critical concerns	Audit, risk and internal control, ARA, page 96 Whistleblowing, SR, page 148	
2-17	Collective knowledge of the highest governance body	Our Board, ARA, page 78 to 80	
2-18	Evaluation of the performance of the highest governance body	Board evaluation, ARA, pages 93 to 94	
2-19	Remuneration policies	ARA, pages 110 to 133	
2-20	Process to determine remuneration	ARA, pages 110 to 133	
2-21	Annual total compensation ratio	ARA, page 128	

GRI standards

General standard disclosures			
Disclosure	Description	References 2024	Further comments
2-22	Statement on sustainable development strategy	Chair's statement, ARA, pages 2 to 3 and 76 Group chief executive's review, ARA, pages 4 to 7 Responsible Business Committee report, ARA, page 109 Group chief executive's statement, SR, pages 4 to 5	
2-23	Policy commitments	Code of ethics and responsibility Lloyds Banking Group human rights policy Lloyds Banking Group sector statements	
2-24	Embedding policy commitments	Non-financial and sustainability information statement, ARA, page 44	
2-25	Process to remediate negative impacts	Risk management, ARA, page 138 Risk management, SR, pages 125 to 138	
2-26	Mechanisms for seeking advice and raising concerns	Audit, risk and internal control, ARA, page 96 Whistleblowing, SR, page 148 Code of ethics and responsibility	
2-29	Approach to stakeholder engagement	ARA, pages 86 to 87 SR, pages 8 and 78	
2-30	Collective bargaining agreements	ARA, page 86 SR, page 56	
Material topics			
3-1	Process to determine material topics	ARA, page 49 SR, page 11	
3-2	List of material topics	ARA, page 49 SR, page 11	
3-3	Management of material topics	ARA, pages 50 to 52 SR, page 11	

GRI standards

Economic standards			
Disclosure	Description	References 2024	Further comments
Economic performance			
201-1	Direct economic value generated	ARA, pages 62 to 74	
201-2	Financial implications and other risk and opportunities due to climate change	ARA, pages 50 to 52, 150 to 153, 229, 283 Risk management, SR, pages 125 to 138	
201-3	Defined benefit obligations and other retirement plans	ARA, pages 193 to 194, 228, 249 to 253 Pension schemes, SR, page 56	
Indirect economic impacts			
203-2	Significant indirect economic impacts	ARA 12 to 15 SR, pages 14 to 48, 25 to 62, 130 to 131	
Anti-corruption			
205-2	Communication and training about anti-corruption policies and procedures	SR, page 146 Lloyds Banking Group code of ethics and responsibility Lloyds Banking Group anti-bribery policy statement	

GRI standards

Economic standards			
Disclosure	Description	References 2024	Further comments
Tax			
207-1	Approach to tax	Lloyds Banking Group tax strategy and approach to tax	
207-2	Tax governance, control and risk management	Lloyds Banking Group tax strategy and approach to tax	
207-3	Stakeholder engagement and management of concerns related to tax	Lloyds Banking Group tax strategy and approach to tax	
207-4	Country-by-country tax reporting	Lloyds Banking Group tax strategy and approach to tax	

GRI standards

Environmental standards			
Disclosure	Description	References 2024	Further comments
Energy			
302-1	Energy consumption within the organisation	ARA, page 59 to 60 SR, pages 70 to 71 SD, tab 17	
302-2	Energy consumption outside of the organization	SR, pages 73 to 76	
302-3	Energy intensity	ARA, page 59	
302-4	Reduction of energy consumption	ARA, pages 60 SR, page 64 SD, tab 17	
Water and effluents			
303-5	Water consumption	SR, pages 70 to 71 SD, tab 17	
Emissions			
305-1	Direct (scope 1) GHG emissions	ARA, pages 59 to 60 SR, pages 68 to 71 SD, tab 17	
305-2	Energy indirect (scope 2) emissions	ARA, pages 59 to 60 SR, pages 68 to 71 SD, tab 17	
305-3	Other indirect (scope 3) emissions	ARA, pages 54 to 60 SR, pages 73 to 76 SD, tab 17 & 18	
305-4	GHG emissions intensity	ARA, pages 54 to 60 SR, page 73 to 74 SD, tab 17	
305-5	Reduction of GHG emissions	ARA, pages 54 to 60 SR, pages 65, 74 and 83 to 84 SD, tab 17 to 18, 20 to 21 and 23	

GRI standards

Social standards			
Disclosure	Description	References 2024	Further comments
Waste			
306-3	Waste generated	SR, page 70 to 71 SD, tab 17	
306-4	Waste diverted from disposal	SR, page 70 to 71 SD, tab 17	
Employment			
401-1	New employee hires and employee turnover	SD, tabs 13	
401-3	Parental leave	ARA, page 30 to 31 SR, page 56 SD, tab 13	
Occupational health and safety			
403-1	Occupational health and safety management system	SR, pages 58 to 60 SD, tab 13	
403-3	Occupational health services	SR, pages 58 to 60	
403-6	Promotion of worker health	SR, pages 58 to 60	
403-9	Work-related injuries	SR, pages 58 to 60 SD, tab 13	
403-10	Work-related ill health	SR, pages 58 to 60 SD, tab 13	
Training and education			
404-1	Average hours of training per year per employee	SD, tab 14	
402-2	Programmes for upgrading employee skills and transition assistance programmes	SR, page 61	
404-3	Percentage of employees receiving regular performance and career development plans	SR, page 57 SD, tab 14	

GRI standards

Social standards			
Disclosure	Description	References 2024	Further comments
Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	ARA, page 32, 136 SR, page 50 SD, tabs 10	
405-2	Ratio of basic salary and remuneration of women to men	ARA, page 126 SD, tab 11 Gender and ethnicity pay gap report	
Local communities			
413-1	Operations with local community engagement, impact assessment and development programmes	SR, pages 19 to 23 , 38 to 40 and 41 to 48	
Public policy			
415-1	Political contributions	SD, tab 29 Public affairs and policy	

The International Business Council of the WEF Stakeholder Capitalism Metrics

Lloyds Banking Group is reporting for the year in 2024 against the International Business Council of the World Economic Forum's (WEF) Stakeholder Capitalism Metrics. We currently report against metrics relevant to the Group and we continue to evolve our reporting each year to enhance our disclosures, working towards meeting the requirements of our selected sustainability reporting frameworks.

We have included references to relevant information in our 2024 annual reporting suite and any supplementary information that may support our disclosures against the framework. Lloyds Banking Group is a UK focused financial services provider and therefore, where required, certain indicators have been adapted to reflect this.

Additional sustainability-related information can be found in the Lloyds Banking Group [sustainability downloads](#).

Key

C = Core metrics: A set of 21 more-established or critically important metrics and disclosures. These metrics focus primarily on activities with an organisation's own boundaries.

E = Expanded metrics: A set of 34 metrics and disclosures that tend to be less well-established in existing practice and standards. They represent a more advanced way of measuring and communicating sustainable value creation.

ARA: [Lloyds Banking Group annual report and accounts 2024](#)

SR: [Lloyds Banking Group sustainability report 2024](#)

SD: [Lloyds Banking Group sustainability datasheet 2024](#)



WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
Governance			
Governing purpose	C: Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Helping Britain Prosper SR, pages 7 to 8 ARA, COVER pages
	E: Purpose led management	How the company's stated purpose is embedded in company strategies, policies, and goals.	Helping Britain Prosper SR, pages 6 to 11 ARA, pages 8 to 11
Quality of governing body	C: Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Governance ARA, pages 78 to 80
	E: Progress against metrics	Disclosure of the material strategic economic, environmental, and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected to or have contributed to long-term value.	ARA, pages 15, 52 to 60 SR, pages 65 to 66, 70, 73 to 75, 82 to 84, 116, 121 to 123
	E: Remuneration	<ol style="list-style-type: none"> How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy, and long-term value. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares, Sign-on bonuses or recruitment incentive payments, termination payments, clawback and retirement benefits. 	Directors' remuneration report 1. ARA, pages 110 to 133 2. ARA, pages 110 to 133
Stakeholder engagement	C: Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Our material ESG topics ARA, page 49 SR, page 11

WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
Ethical behaviour	C: Anti-corruption	<ol style="list-style-type: none"> 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. 2. a. Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b. Total number and nature of incidents of corruption confirmed during the current year, related to this year. 3. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption. 	<ol style="list-style-type: none"> 1. ARA, page 95 2. SD, tab 27 – all whistleblowing & colleague conduct cases 3. Lloyds Banking Group code of ethics and responsibility Lloyds Banking Group anti-bribery policy ARA, pages 19 to 22
	C: Protected ethics advice and reporting mechanisms	<p>A description of internal and external mechanisms for:</p> <ol style="list-style-type: none"> 1. Seeking advice about ethical and lawful behaviour and organisational integrity; 2. Reporting concerns about unethical or lawful behaviour and organisational integrity 	<p>How to raise a concern Lloyds Banking Group code of ethics and responsibility SR, page 148</p>
	E: Alignment of strategies and policies to lobbying	The significant issues that are the focus of the company's participation in public policy development and lobbying; the company's strategy relevant to these areas of focus; and any differences between its lobbying positions, purpose, and any stated policies, goals, or other public positions.	Public affairs and policy
Risk and opportunity oversight	C: Integrating risk and opportunity into business process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship.	<p>Risk management SR, pages 125 to 138 ARA, pages 137 to 198</p>
	E: Economic, environmental and social topics in capital allocation framework	How the highest governance body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments.	<p>Responsible Business Committee report ARA, page 109</p>

WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
Planet			
Climate change	C: Greenhouse Gas (GHG) emissions:	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	SD, tabs 17, 18, 20 and 21 ARA, pages 54 to 60 Progress in reduction of our Group's emissions, SR, page 65 Progress on our pledges, SR, page 70 Our supply chain emissions, SR, page 74 Our bank financed emissions, SR, page 83 Facilitated emissions, SR, page 84 Scottish Widows, SW, page 121
	C: TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set GHG emissions targets that are in line with the goals of the Paris Agreement — to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C — and to achieve net-zero emissions before 2050.	ARA, pages 42-43
	E: Paris-aligned GHG emissions	Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.	SD, tabs 17, 18, 20 and 21 ARA, pages 54 to 60 Progress in reduction of our Group's emissions, SR, page 65 Progress on our pledges, SR, page 70 Our supply chain emissions, SR, page 74 Our bank financed emissions, SR, page 83 Metrics and targets, SR, pages 121 to 123 Basis of reporting, page 8
Freshwater availability	C: Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	We report water consumption across our entire operations of which 99 per cent is in the UK. SD, tab 17
Air pollution	E: Air pollution	Report wherever material along the value chain: nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter and other significant air emissions. Wherever possible estimate the proportion of specified emissions that occur in or adjacent to urban/densely populated areas.	At present we only report material CO2 emissions along our value chain. We understand the importance of disclosing and reducing all GHG emissions and are working towards expanding our capability to do so. 100% of our operational emissions occur adjacent to urban/ densely populated areas.

WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
People			
Dignity and equality	C: Diversity and inclusion (%)	Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	ARA, page 32 SR, page 50 SD, tab 10
	C: Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	SD, tab 11 Gender & Ethnicity Pay Gap Report 2023
	C: Wage levels (%)	<ol style="list-style-type: none"> Ratios of standard entry level wage by gender compared to local minimum wage. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO. 	2. Chief Executive Officer pay ratio ARA, page 128
	E: Risk for incidents of child, forced or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: <ol style="list-style-type: none"> type of operation (such as manufacturing plant) and type of supplier; and countries or geographic areas with operations and suppliers considered at risk. 	Modern slavery and human trafficking statement SR, pages 150 to 151
	E: Pay gap (%)	<ol style="list-style-type: none"> Mean pay gap of basic salary and remuneration of full-time relevant employees based on gender (women to men) and indicators of diversity (e.g. BAME to non-BAME) at a company level or by significant location of operation. Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country. 	<ol style="list-style-type: none"> Gender & ethnicity pay gap report 2023 SD, tab 11 ARA, page 126
	E: Discrimination and harassment incidents (#) and total amount of monetary losses (\$)	Number of discrimination and harassment incidents, status of the incidents and actions taken, and the total amount of monetary losses as a result of legal proceedings associated with: <ol style="list-style-type: none"> law violations; and employment discrimination. 	Whistleblowing SR, page 148 SD, tab 27

WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
Dignity and equality	E: Freedom of association and collective bargaining at risk (%)	<ol style="list-style-type: none"> Percentage of active workforce covered under collective bargaining agreements. An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks. 	ARA, page 86 SR, pages 56 and 151
	E: Human rights review, grievance impact & modern slavery (#,%)	<ol style="list-style-type: none"> Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country. Number and type of grievances reported with associated impacts related to a salient human rights issue in the reporting period and an explanation on type of impacts. Number and percentage of operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: <ol style="list-style-type: none"> type of operation (such as manufacturing plant) and type of supplier; and countries or geographic areas with operations and suppliers considered at risk. 	Modern slavery and human trafficking statement SD, tab 27
	E: Living wage (%)	Current wages against the living wage for employees and contractors in states and localities where the company is operating.	SD, tab 12 The Group continues to be an accredited Living Wage Foundation Employer with current pay rates comfortably above the minimums required for accreditation, SR page 57
Health and wellbeing	C: Health and safety (%)	<ol style="list-style-type: none"> The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers. 	1. SD, tab 13 2. SR, page 60
Skills for the future	C: Training provided (#, \$)	<p>Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).</p> <p>Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).</p>	SD, tab 14

WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
Prosperity			
Employment and wealth generation	C: Absolute number and rate of employment	<ol style="list-style-type: none"> Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region. 	SD, tab 12
	C: Economic contribution	<ol style="list-style-type: none"> Direct economic value generated and distributed (EVG&D)— on an accrual basis, covering the basic components for the organization’s global operations, ideally split out by: <ol style="list-style-type: none"> Revenue Operating Costs Employee wages and benefits Payments to providers of capital Payments to government Community Investment. 	1a-e. ARA, page 212 1f. SD, tab 9 CDFI, SR, page 44 Communities, SR pages 46 to 47
	C: Financial investment contribution	<p>Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company’s investment strategy.</p> <p>Share buybacks plus dividend payments, supported by narrative to describe the company’s strategy for returns of capital to shareholders.</p>	ARA, Notes 24 and 33
	E: Infrastructure investments and services supported	<p>Qualitative disclosure to describe the below components:</p> <ol style="list-style-type: none"> Extent of development of significant infrastructure investments and services supported. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. Whether these investments and services are commercial, in-kind or pro bono engagements. 	1. ARA, pages 73 and SR, pages 14 to 25 2. SR, pages 41 to 48 3. SR, page 9
	E: Significant indirect economic impacts	<ol style="list-style-type: none"> Examples of significant identified indirect economic impacts of the organisation, including positive and negative impacts. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas). 	ARA 12 to 15 SR, pages 14 to 48

WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
Community and social vitality	C: Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Tax strategy and approach to tax ARA, Note 15
	C: Total social investment (\$)	Total Social Investment (TSI) sums up a company's resources used for 'S' in ESG efforts defined by CECP Valuation Guidance.	SD, tabs 5, 9 & 22
	E: Additional tax remitted	The total additional global tax collected by the company on behalf of other taxpayers, including VAT and employee-related taxes that are remitted by the company on behalf of customers or employees, by category of taxes.	Tax strategy and approach to tax
	E: Total tax paid by country for significant locations	Total tax paid and, if reported, additional tax remitted, by country for significant locations.	Tax strategy and approach to tax

California AB 1305 compliance statement

Lloyds Banking Group is reporting for the first year under the California AB 1305 requirements. This legislation requires companies operating and making claims in California regarding net zero, carbon neutrality and significant reductions in greenhouse gas (GHG) emissions (or not adding net GHGs to the environment) to disclose the following information for these claims:

- How the claims were determined to be accurate or accomplished
- How interim progress is measured
- Any 3rd party verification of claims or related data (this may include 3rd party verification of GHG emissions, science-based targets for reduction pathway)

Lloyds Banking Group has an ambition to be net zero by 2050. This overarching ambition is supported by interim and sector-based ambitions, pledges and targets that are summarised on page 3 of the sustainability metrics basis of reporting and referred to throughout our sustainability report. The disclosures reference in this statement relate to our net zero by 2050 ambition as well as these supporting ambitions, pledges and targets.

The legislation also requires disclosure of certain information about voluntary carbon offsets (VCOs) purchased, used, marketed or sold in California. Lloyds Banking Group does not currently engage in any activity meeting these criteria.

This statement is intended to be read alongside our sustainability report, sustainability metrics basis of reporting and pages 46-60 of our **annual report and accounts**, which provide greater detail regarding our strategies relating to our ambitions, pledges and targets relating to net zero and GHG emissions reductions and our sustainability and climate change strategies more generally. The sustainability report, sustainability metrics basis of reporting and additional sustainability-related information can be found in the our [sustainability downloads](#).



California AB 1305 compliance statement

AB-1305 Disclosure requirement	Location in 2024 LBG ARA or other sustainability-related supplements disclosures	Links and reference(s) to the Group’s full response /relevant information
<p>How the Company’s ambitions, pledges and targets relating to GHG emissions reductions and net zero are determined to be accurate or actually achieved.</p>	<p>Detail regarding how Lloyds Banking Group sets its ambitions and targets and makes its pledges relating to GHG emissions reductions and net-zero and methodologies for measuring its GHG emissions or other metrics covered by these ambitions, pledges and targets are set out on pages 54-59 of the ARA, throughout the sustainability metrics basis of reporting document and pages 63-123 of our sustainability report. Deloitte was appointed to provide limited assurance over the validation of certain of our GHG emission reduction ambitions and targets this year, to ensure we have an independent view that our net-zero ambitions and targets are accurate. Statement on auditor and their scope of work can be found on page 54 of the ARA.</p>	<p>ARA, page 54 Sustainability metrics basis of reporting Sustainability report, pages 63 to 123</p>
<p>How interim progress toward the Company’s ambitions, pledges and targets relating to GHG emissions reductions and net zero is being measured</p>	<p>Our progress in reducing our Group’s emissions (Bank total financed emissions, Scottish Widows financed emissions, Own Operations emissions and Supply Chain emissions) and 10 sector-specific NZBA targets can be found on page 54 and 55 of the ARA, throughout the sustainability metrics basis of reporting document and pages 63-123 of our sustainability report.</p>	<p>ARA, page 54 to 55 Sustainability metrics basis of reporting Sustainability report, pages 63 to 123</p>
<p>Identification of the company’s science-based targets for its emissions reduction pathway</p>	<p>Our science-based targets including our 10 sector-specific NZBA targets and Scottish Widows’ carbon footprint target are detailed in the Sustainability Metrics Basis of Reporting (BoR). For details on Scottish Widows’ emissions reduction pathway, please see page 32 of the Basis of Reporting.</p>	<p>BoR, page 10 to 26 and 32</p>
<p>Disclosure of relevant sector methodology used for the company’s science-based targets and emissions pathway</p>	<p>The methodology used to set the ambitions can be found in the Basis of Reporting: For Bank financed emissions, see page 9 For Scottish Widows financed emissions, see page 32 For Own Operations emissions, see page 35 For Supply chain emissions, see page 38</p> <p>The methodology used to determine the 10 sector-specific NZBA targets can be found in the Basis of Reporting from page 13 to 26.</p>	<p>BoR, p. 13 to 26</p>
<p>Whether there is independent third-party verification of the company’s emissions data and claims listed</p>	<p>Deloitte was appointed to provide independent limited assurance over selected ESG metrics. Statement on auditor and their scope of work can be found on page 54 of the ARA</p>	<p>ARA, page 54</p>

Key

California AB 1305 compliance statement

Forward looking statement

This document (as well as the documents referred to herein) 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 but not limited to: projections or expectations of the Group's future financial position, including profit attributable to shareholders, provisions, economic profit, dividends, capital structure, portfolios, net interest margin, capital ratios, liquidity, risk-weighted assets (RWAs), expenditures or any other financial items or ratios; litigation, regulatory and governmental investigations; the Group's future financial performance; the level and extent of future impairments and write-downs; 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.

Factors that could cause actual business, strategy, targets, plans and/or results (including but not limited to the payment of dividends) to differ materially from forward-looking statements include, but are not limited to: general economic and business conditions in the UK and internationally (including in relation to tariffs); acts of hostility or terrorism and responses to those acts, or other such events; geopolitical unpredictability; the war between Russia and Ukraine; the conflicts in the Middle East; the tensions between China and Taiwan; political instability including as a result of any UK general election; market related risks, trends and developments; changes in client and consumer behaviour and demand; exposure to counterparty risk; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the Group's credit ratings; fluctuations in interest rates, inflation, exchange rates, stock markets and currencies; volatility in credit markets; volatility in the price of the Group's securities; natural pandemic and other disasters; risks concerning borrower and counterparty credit quality; risks affecting insurance business and defined benefit pension schemes; changes in laws, regulations, practices and accounting standards or taxation; changes to regulatory capital or liquidity requirements and similar contingencies; the policies and actions of governmental or regulatory authorities or courts together with any resulting impact on the future structure of the Group; risks associated with the Group's compliance with a wide range of laws and regulations; assessment related to resolution planning requirements; risks related to regulatory actions which may be taken in the event of a bank or Group failure; exposure to legal, regulatory or competition proceedings, investigations or complaints; failure to comply with anti-money laundering, counter terrorist financing, anti-bribery and sanctions regulations; failure to prevent or detect any illegal or improper activities; operational risks including risks as a result of the failure of third party suppliers; conduct risk; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; technological failure; inadequate or failed internal or external processes or systems; risks relating to ESG matters, such as climate change (and achieving climate change ambitions) and decarbonisation, including the Group's ability along with the government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively, and human rights issues; the impact of competitive conditions; failure (continued overleaf)

California AB 1305 compliance statement

Forward looking statement (continued)

to attract, retain and develop high calibre talent; the ability to achieve strategic objectives; the ability to derive cost savings and other benefits including, but without limitation, as a result of any acquisitions, disposals and other strategic transactions; inability to capture accurately the expected value from acquisitions; assumptions and estimates that form the basis of the Group's financial statements; and potential changes in dividend policy. A number of these influences and factors are beyond the Group's control. Please refer to the latest Annual Report on Form 20-F filed by Lloyds Banking Group plc with the US Securities and Exchange Commission (the SEC), which is available on the SEC's website at www.sec.gov, for a discussion of certain factors and risks. 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. The information, statements and opinions contained in this document do not constitute a public offer under any applicable law or an offer to sell any securities or financial instruments or any advice or recommendation with respect to such securities or financial instruments.