



Lloyds Banking Group

Case study: sustainability-led client engagement

CORPORATE &
INSTITUTIONAL

Sustainability in CIB | How we're structured

Group-level oversight

Responsible Business Committee
Board level committee joined by LBG's Chairman, with attendance from CEO, Group Audit and additional NEDs.

Group Sustainability
Net Zero Commitments
Group-level Strategy & Targets
External Sector Statements
Sustainability reporting
Sustainable Finance Framework

- Also sets strategy for:
- Business & Commercial Banking (BCB) inc. SME & mid-sized corporates
 - Retail Banking

Corporate & Institutional Banking

Portfolio Analytics (BCB)
▪ Manages client emissions data
▪ Informs Top100+ client prioritisation
▪ Runs Sustainable Asset Eligibility Forum (SAEF)

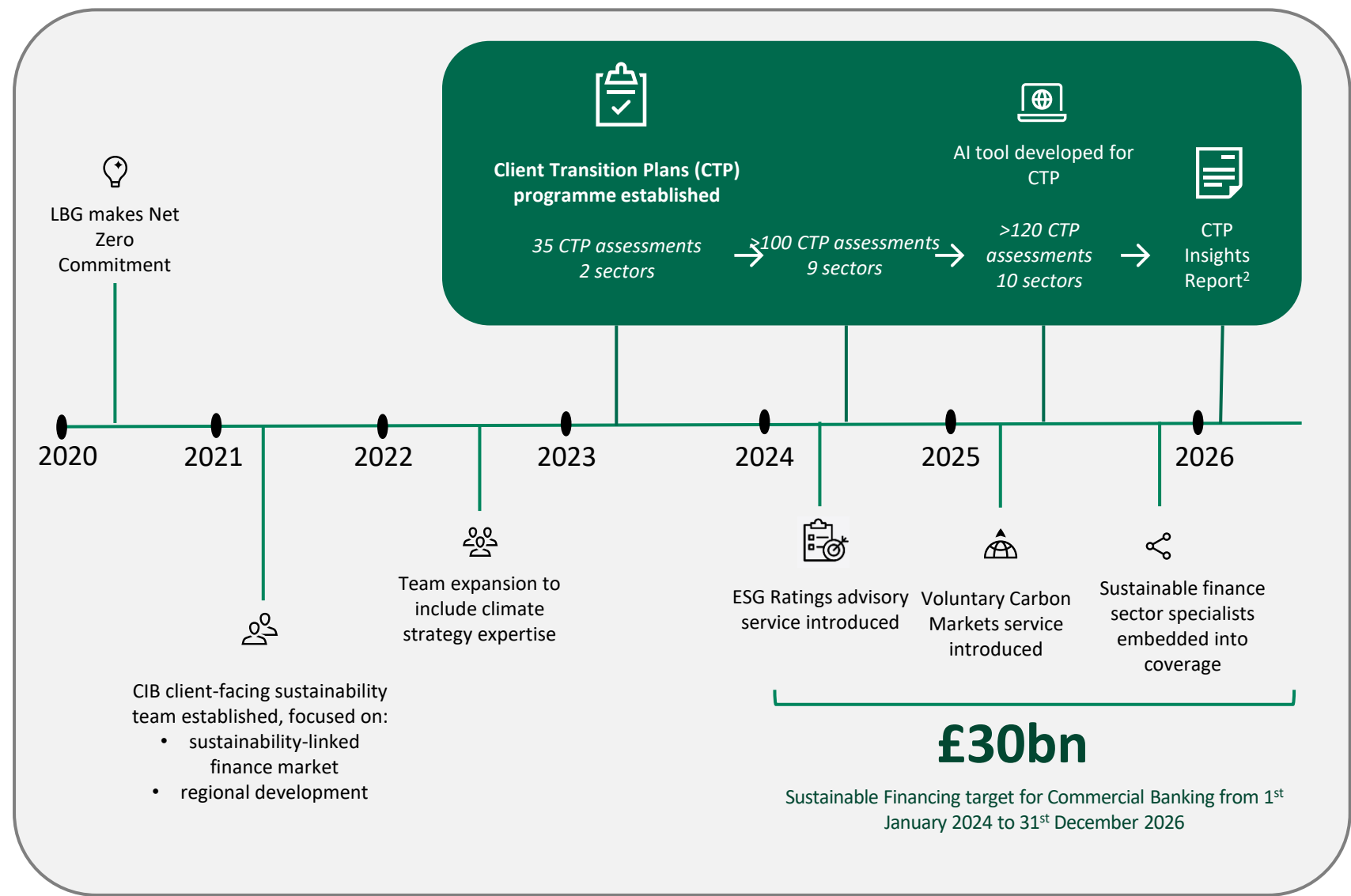
ESG Risk
▪ Reviews clients for climate, nature, social, governance and broader environmental risk
▪ Embedded within credit risk framework to inform financing decisions
▪ Enforces External Sector Statements and monitors Net Zero Investment Portfolio

Corporate and Institutional Coverage
Sustainable Finance and Transition Team
▪ 16 experts support coverage on sustainability & transition
▪ Lead thought leadership initiatives on sustainability topics
▪ Deliver 100+ client transition plan assessments per year
▪ Engage clients with market insights, capacity building, and strategy support
ESG Strategy
Climate and Transition Strategy
VCM

CIB Governance: Sustainable Asset Eligibility Forum (SAEF)
▪ GSSSB+ loans (bonds delivered through LBCM), Clean Growth Financing Initiative (CGFI), Net Zero Investment Portfolio (NZIP),
▪ **October 2025**, 14 experts embedded in coverage teams

Services and Public Sector (x2)	Institutional Coverage (x2)	Healthcare, TMT, Leisure (x1)	Real Estate and Housing (x3)
Energy and utilities (x3)	Infra & Transport (x1)	Manufacturing & Industrials (x1)	Consumer (x1)

LBG Sustainable Finance & Transition | How the team developed



>260

Client Transition Plan assessments since 2023 using our bespoke methodology²

>£70bn

Sustainable Finance executed for commercial customers since 2022¹

- Over 30 individuals across SF&T and ESG Coverage have technical expertise from backgrounds in:**
- Sustainability consultancies
 - Corporate climate strategy
 - Corporate banking
 - Law
 - Sustainable finance

1 Sustainability report 2025 - Lloyds Banking Group; 2 2026 CTP insights report

Client engagement | Climate & Sustainability

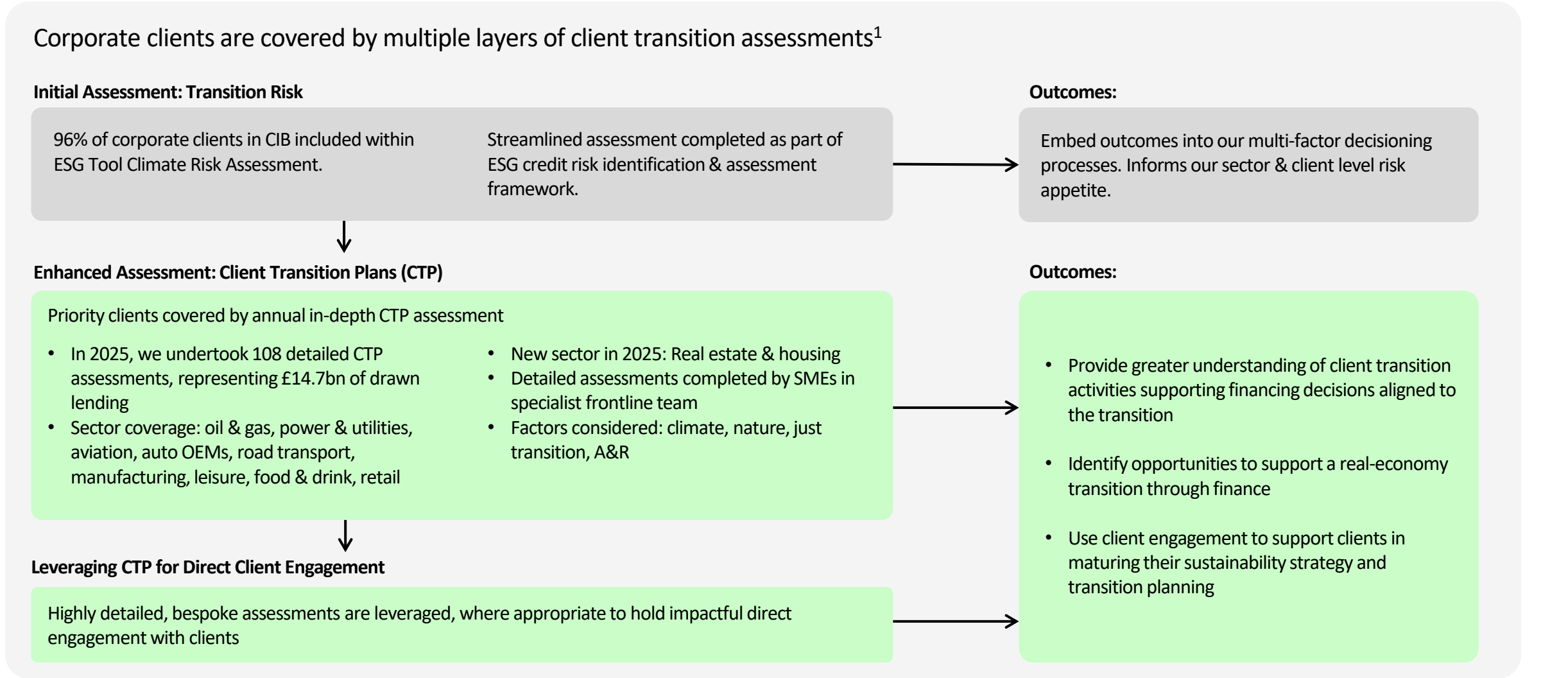
Team objectives and services are designed to deepen client relationships and create opportunities for transactions

Sustainability themes	Market insights <i>To increase awareness...</i>	Capacity building <i>To increase understanding...</i>	Strategy review <i>To increase integration...</i>	Transaction support <i>To finance initiatives....</i>
Decarbonization	<p>Trends and best practices for:</p> <ul style="list-style-type: none">▪ Sustainable finance capital market▪ Transition planning▪ Standards and Principles updates▪ Investor insights▪ Sector-specific trends, regulations, and best practices	<p>Workshops and targeted training on:</p> <ul style="list-style-type: none">• Sustainable finance products, standards, and innovations• ESG ratings optimization• Building an impactful integrated transition strategy• Policy and regulatory landscape	<p>Peer benchmarking and methodology reviews for</p> <ul style="list-style-type: none">▪ ESG materiality▪ Stakeholder engagement▪ Transition planning▪ Supply chain engagement▪ Nature and carbon integration▪ Resilience planning	<ul style="list-style-type: none">▪ Sustainable finance framework updates▪ Taxonomy alignment▪ Green, social, sustainability-linked, and transition bond and loan structuring▪ VCM transactions (detail on next slide)
Social inclusion				
Nature				
Adaptation and resilience (A&R)				
Governance				
Responsible AI*				

* White space for exploration

Transition Planning Strategy Reviews | CTP engagement

Client transition plan assessments focus on identifying challenges and opportunities presented by the transition. We leverage frontline specialist expertise to provide bespoke client advisory support.



¹ Sustainability report 2025 - Lloyds Banking Group; 2 As of 31st December 2025 Sustainable Finance and Transition | Lloyds Corporate & Institutional

LBG Sustainable Finance & Transition | Pivots & lessons learned

Pivots

We started with...

- CTPs as a Net Zero progress check in, driven by impact aspirations and anticipated policy and regulation
- Centralised team of sustainability experts covering transactions and advisory
- Experienced bankers developing sustainability solutions and financing

We pivoted to...

- Offering CTPs and general sustainability expertise as a service to support value generation
- Sustainability experts focused on transactions embedded in coverage with central client-facing team supporting with subject matter expertise & engagement
- Blended experience team able to bring range of insights & experience

Lessons learned

Internal

- **Coverage is your client too:**
 - Coverage teams and clients are stretched thin: demonstrate explicit client demand, unique & relevant insights, or a link to a potential opportunity.
 - Establish a direct relationship with clients' sustainability teams (with the RD's support) to deepen the banking relationship.
 - Support coverage through sustainability governance processes and ensure sustainability is not conflated with compliance.
- **You can be your clients' advocate**, understanding & reflecting their real-world challenges in support of the transition.
- **Gain a deeper understanding of your relationship with each client**, especially where part of multi-bank group, earlier identification of opportunities and issues.
- **Build a commercially-oriented team of experts:** acting as the “*translator*” between the sustainability & finance, requiring multidisciplinary skills.

External

- **Sustainability expertise can be a useful complimentary service** to support relationship building and increased client touch-points.
- Transition finance is a loosely-defined category outside of traditional green taxonomies; **client-facing teams must be solutions oriented** and should bring nuanced understanding of the business challenges & technologies.
- CFOs, treasurers and sustainability teams may not coordinate internally; you might **be the connector that spots the opportunity**.
- **Clients have intense reporting fatigue**; our engagement priority is not to add to their workload but to support them to deliver the transition.
- **Government and industry bodies value banks' opinions:** leverage your convening power to influence the operating environment.