

# Lloyds Banking Group - CRC Case Study

Lloyds Banking Group is a UK focussed retail and commercial bank. The Group's vision is to become the best bank for customers and we aim to demonstrate that we bring benefits to the communities in which we operate. This vision extends to improving environmental performance and the Group is committed to reducing its impact.

The Group has managed its environmental impact for many years however CRC provided a greater opportunity for senior management engagement on energy efficiency and environmental policy. The result of this engagement was the launch of the Environment Action Plan.

The Environmental Action Plan provides a common framework to bring focus to the activities underway to reduce the Group's environmental impact including a central model to track and report on performance. It ensures we are working across the whole Group to deliver a single, cohesive programme with clear long term targets.

In terms of energy and emissions, we have a large property portfolio so our energy consumption can be high and requires careful management. As part of the Environmental Action Plan we have set ourselves a target to reduce energy consumption by 30% by 2020 compared to a 2009 benchmark. This will be achieved through energy efficiency projects making our property estate more efficient, IT projects to improve our IT infrastructure and colleague awareness campaigns. To date we have achieved a reduction in energy use of 12.7% against our 2009 baseline, resulting in cost avoidance of £8.7million in 2013, and £22million since 2010. Consuming less energy is a big focus for us because energy accounts for around 85% of our reported CO<sub>2</sub>e emissions (based on 2012 information).

Together with our facilities management (FM) partner, we've built real momentum in tackling this issue, substantially revising our energy strategy so that it focuses on two key areas: using less and buying well. Our FM partner is delivering a substantial energy performance contract to reduce the Group's consumption, with a dedicated team of 10 energy managers. In addition, we invested £5million in 2013 on specific energy-saving technologies and are investing a further £7million in 2014.

Recent energy reduction projects have included amongst others:

- Completion of our new Horizon data centre in the East Midlands which achieved an A rating Energy Performance Certificate
- Energy optimisation programme including remote and onsite optimisation and strategic alterations of building management systems (BMS) and controls, and upgrades to chillers and air conditioning
- Upgrade, refurbishment and replacement of existing lighting systems with energy efficient technologies
- Bank signage re-branding - replacement of existing fascia signage which use fluorescent lamps with the latest generation of LED signs. It is anticipated that up to 90% of energy consumption and carbon emissions could be saved as a direct result of this programme.

- Invested in more energy efficient systems in Canons House, Bristol, cutting carbon emissions from the site by 27% and saved £130,000 in energy costs compared to 2009.

- Voltage Power Optimisation (VPO) technology introduced to 25 Gresham Street, London, saving 291 tonnes of carbon emissions annually. VPO has now been installed at 25 further sites generating a combined annual saving of 2443 tonnes of carbon emissions, the equivalent of carbon emissions from 407 households

- Behavioural change programme ensuring all colleagues and partners understand the role they can play in reducing energy consumption

Beyond our own environmental impact the Group is an active participant in the project finance market, playing a key role in finding solutions to current and future 'green' funding requirements. At the end of 2013, we were involved in renewable projects across Britain with a combined capacity of more than 3,580MW, enough to power 3.5 million homes. In addition to our UK renewable lending, we have committed to £237 million in loans to European renewable energy projects, and \$258 million to projects in the US, enough to power 5 million homes.

For more information refer to <http://www.lloydsbankinggroup-cr.com> and <http://www.supportingbusinesses.co.uk/lloyds/sustainability>.