

Reporting frameworks

GHG Emissions Target Disclosure

In October 2021, FTSE Russell published guidance to support the consistent disclosure of climate targets. Its aim is to increase comprehensive and standardised disclosures to furnish investors with robust carbon targets data, which can provide a critical input into analytical tools and investment products helping investors address climate risk. Using this standardised template, LSEG has disclosed information on our emissions reduction targets, progress towards targets and our methodology.

Target ID

Overall number of active GHG emissions targets:	1		
Target number:	1		
Target type:	Absolute (near-term) target	Near-term science-based target, approved by SBTi	
Date the target was set:	09/12/2021	Date that the target was last revised:	09/12/2021

Target Information

Scope(s) covered	Scope 1 & 2 (market-based) + 3 (fuel and energy-related activities, business travel, employee commuting)			
Percentage of in-scope emissions covered by the target:	100%			
Base year:	2019	Base year emissions:	91,518 tCO ₂ e	
Target year:	2030	Target year projected emissions:	45,759 tCO ₂ e	
Targeted reduction from base year (%)	50%			
Targeted reduction from current year (%)	0%	Current emissions:	35,107 tCO ₂ e (2022)	Verified actual emissions for 2022 exceeds reduction target by 23%.

Target Methodology

Verified by an independent third party.	Yes	Verified by SBTi.		
Source that describes how the percentage of in-scope emissions covered by the target has been calculated.	Sustainability Report 2021 (footnote 5)			
Source that describes transition plan outlining how this target will be met.	Climate Transition Plan			
For Scope 3 targets, source that describes the methodology used to calculate the Scope 3 emissions covered by the target.	Sustainability Report 2021 (footnote 5)			
Indicate the % of the target to be achieved through offsets and provide a source that specifies their type and the offset provider.	0%	In accordance with SBTi criteria.		
For intensity targets, source that describes the methodology used to calculate the carbon intensity.	n/a			

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Sustainability Accounting Standards Board (SASB)

The table below summarises LSEG's SASB alignment to the Security & Commodity Exchanges standard.

Topic	Accounting Metric	Category	Unit of Measure	Disclosure
Promoting Transparent & Efficient Capital Markets	1) Number and (2) average duration of (a) halts related to public release of information and (b) pauses related to volatility.	Quant	Number/ Minutes	No volatility reported following release of information.
	Description of alert policy regarding timing and nature of public release of information.	Quant	Percentage	As a provider of execution services and associated platform connectivity infrastructure, the entire process is considered electronic, utilising various forms of automated strategies and processes. If we define this as the monthly averages by value traded by proprietary trading firms directly accessing the London Stock Exchange order book in their own capacity as member firms, then over the course of 2022 this varied between 29% and 32%.
	Description of alert policy regarding timing and nature of public release of information.	D&A	N/A	We do not provide any advice to our clients about the content or timing of their disclosures. All responsibility for content and timing rests with the client.
	Description of policy to encourage or require listed companies to publicly disclose environmental, social, and governance (ESG) information.	D&A	N/A	<p>Publication of TCFD-aligned climate reporting guidance to educate the market and encourage best practice climate-related disclosure.</p> <p>Publication of ESG reporting guidance to educate the market and encourage best practice disclosure.</p> <p>Provision of an online ESG disclosure tool for companies to identify industry-specific disclosures that are material to investors.</p> <p>Application of FTSE Russell data and Transition Pathway Initiative methodology to provide listed companies with an assessment of their carbon management practices, helping identify areas for improvement in their climate disclosure and integration of climate risks and opportunities into business strategy (Climate Governance Score).</p> <p>Provision of an online tool for issuers to receive personalised recommendations on how to improve climate-related disclosure (Climate Governance Tool).</p> <p>Partnership with the UN Sustainable Stock Exchanges initiative to provide training on climate disclosure and TCFD implementation to educate listed companies.</p> <p>Provision of one of the industry's most comprehensive ESG data feeds (Refinitiv ESG data) directly to London's issuers via the Issuer Services platform.</p> <p>Regular webinars from LSEG experts and industry specialists on the importance of ESG disclosure, covering regions and sectors.</p> <p>Established green economy equities classification (Green Economy Mark) to incentivise disclosure of revenues contributing to the growth of the green economy.</p> <p>Annual report on green revenues trends and performance.</p> <p>Direct engagement with issuers on market development and regulatory trends in ESG and climate disclosure.</p>

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Topic	Accounting Metric	Category	Unit of Measure	Disclosure
Managing Conflicts of Interest	Total amount of monetary losses because of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.	Quant	Reporting Currency	LSEG did not sustain any monetary losses in the reporting period as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other relevant financial industry laws or regulations related to fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation or malpractice.
	Discussion of processes for identifying and assessing conflicts of interest.	D&A	N/A	LSEG PLC maintains a Group Conflicts of Interest Policy ('the Policy') which is subject to an annual review. The policy: <ul style="list-style-type: none"> • Provides guidance to assist in the identification of both personal and business conflicts. • Sets our requirements to clearly identify all conflicts and if possible, take appropriate steps to avoid them. • Where conflicts cannot be avoided, mandates that they will be disclosed or recorded and effectively managed to mitigate any associated risk that a Group entity or employee might be, or perceived to be, unduly influenced because of their existence. • Mandatory Conflicts training is provided to all employees annually to ensure the provisions set out in the Policy are communicated, reinforced, and understood. To confirm their comprehension of the training, all employees must pass a test before being considered to have successfully completed the course. Any non-completion is subject to escalation to the Executive Committee.
Managing Business Continuity & Technology Risks	(1) Number of significant market disruptions and (2) duration of downtime.	Quant	Number/ Hours	One incident due to a software defect in a FX Matching vendor product. This impacted customers for 1 hour and 19 minutes. The issue has been remediated.
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII) and (3) number of customers affected.	Quant	Number/ Percentage	In 2022, LSEG did not record any reportable incident of PII where customers were impacted directly.
	Description of efforts to prevent technology errors, security breaches, and market disruptions.	D&A	N/A	LSEG aims to proactively detect and/or prevent technology errors and security breaches to minimise the risk of disruption to the business and safeguard data. LSEG has established layers of defence to mitigate against security breaches, ranging from protecting the externally facing perimeter to defending the internal network. Our Global Security Operations Centre monitors and rapidly responds to security alerts.

SASB Activity Metric

Accounting Metric	Category	Unit of Measure	Disclosure
Average daily number of trades executed, by product or asset class	Quant	Number/ Minutes	LSE order book = £217,574,960 (valued by the million) Turquoise Integrated = £144,194,752 Turquoise Plato = 23,705,734
Average daily volume traded by product or asset class	Quant	Reporting Currency	LSE order book = 870300 Turquoise Integrated = 561,069 Turquoise Plato = 92,249

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UN SSE: communication to stakeholders

Having joined the UN Sustainable Stock Exchanges (SSE) initiative in 2014, LSEG has committed to report to SSE stakeholders on an annual basis. The report provided below is in line with the template and structure developed by the SSE. This is LSEG's eighth report on progress.

1	How does your exchange define and view the rationale for corporate sustainability and the exchange's role in promoting it?	Our CEO's message, sustainability strategy and materiality review on page 3 of the Sustainability Report and 6 to 8 in the Annual Report respectively, demonstrate our rationale for sustainability and our role in promoting it.
2	How does your exchange's senior leadership and organisational structure support the promotion of corporate sustainability in its market(s)?	<p>The Sustainability Committee is a senior-level committee, chaired by the Chief Corporate Affairs & Marketing Officer. The Committee is responsible for providing strategic direction on the Group's sustainability ambition and the strategy, approving sustainability KPIs and targets and monitoring progress against strategy.</p> <p>We support the promotion of sustainability across the financial markets and are committed to resourcing sustainability sufficiently. The team in the Capital Markets division dedicated to sustainable finance innovation continues to grow and has also expanded its remit to cover the Post Trade division.</p>
3	What goals/objectives does your exchange have in regards to advancing sustainability in your market?	<p>This year, the overarching objective related to advancing sustainability was to become a strategic enabler of sustainable economic growth. Our sustainability strategy has three strategic priorities.</p> <ol style="list-style-type: none"> 1) Accelerate the just transition to net zero- Enable more companies and issuers to access the capital needed to finance the transition to a low-carbon economy. Improve transparency and understanding of risks associated with the transition by promoting clear, comparable and comprehensive data. 2) Enable the growth of the green economy- Provide the market infrastructure to support the growth in green capital channelled towards sustainability solutions, clean growth and sustainable economic activity. Leverage our research capabilities and promote market collaboration to support the growth of the green economy. 3) Create inclusive economic opportunity- We aim to empower economies, communities and individuals by championing inclusion and access to economic opportunity.

Transparency and issuer reporting

4	Describe your exchange's approach to promoting sustainability disclosure by companies.	<p>We advocate for best practice disclosure on all elements of ESG including climate-related risks and opportunities and TCFD recommendations.</p> <p>Last year we played a pivotal role as Co-Chair to the development of the UN SSE Model Guidance on Climate-related Disclosures. We subsequently published our own version of the guidance which is specific to the UK regulatory landscape and designed to educate the market on what climate-related information is material to investors.</p> <p>In ESG reporting, we maintain an updated ESG Reporting Guidance document to help companies understand leading global frameworks, reporting formats, and recommended disclosures per industry. Our online ESG Disclosure Tool allows companies to identify industry-specific disclosures that are considered best practice.</p> <p>Applying FTSE Russell's data and the Transition Pathway Initiative's (TPI) Management Quality methodology, we provide companies with an assessment of their carbon management practices, through a 'Climate Governance Score'. This helps to identify areas for improvement in their climate disclosure and integration of climate risks and opportunities into business strategy. Our accompanying online tool enables companies to receive personalised recommendations on how to improve their carbon management practices and progress through the TPI levels.</p> <p>To help companies navigate the implementation of TCFD recommendations, earlier this year we worked in partnership with the UN SSE to provide training on various aspects of climate reporting as well as holding two interactive online sessions.</p>
5	What is your exchange's process for reviewing listing standards in general? Are there opportunities for stakeholders to comment during the process?	<p>The UK's Financial Conduct Authority (FCA) is responsible for setting listing standards in the UK, not the London Stock Exchange.</p> <p>The London Stock Exchange is a stakeholder in the policies set by the FCA and therefore contributes during consultations on listing rules. The London Stock Exchange is responsible for the Admission and Disclosure Standards and where there are proposed changes, we would consult with the market for comments. For example, ahead of launching our Voluntary Carbon Market and publishing Schedule 8 of the Admission and Disclosure Standards, we launched a public consultation and refined the rules to include operating companies as a result.</p> <p>The London Stock Exchange is responsible for the rules and regulation of AIM, our growth market. The rulebooks are updated via a consultation between the Exchange and the AIM community, to ensure they remain appropriate and pragmatic for growing companies.</p>
6	How do you track sustainability reporting of your listed companies?	<p>The London Stock Exchange reviews the data comprising its Climate Governance Score to assess how well public companies are integrating climate change considerations into their business strategies. We will assess this on an annual basis to track how disclosure is improving market wide.</p> <p>Issuers on the Sustainable Bond Market must comply with mandatory annual post-issuance reporting requirements to demonstrate continued eligibility for the Sustainable Bond Market over the lifetime of the issuance.</p> <p>Listed companies can track how their sustainability performance compares to their peers through access to Refinitiv ESG data on the Issuer Services platform; best practice disclosures and reporting will be reflected in strong ESG scores.</p>

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Transparency and issuer reporting continued

7	What incentives (i.e. public recognition/awards) and sanctions do you have in place to encourage disclosure and discourage non-compliance/lower levels of transparency?	<p>Refinitiv offers one of the most comprehensive ESG databases in the industry. Issuers have access to Refinitiv's ESG Data and Scores through the Issuer Services platform which provides more than 600 metrics from 14,000 companies globally. Issuers are encouraged to use this feature to assess their performance against peers and identify areas for improvement.</p> <p>The London Stock Exchange provides access to an online ESG Disclosure Tool which allows companies to identify industry-specific disclosures that are considered best practice. The online Climate Governance Tool helps companies understand their climate disclosure and carbon management practices in relation to recognised industry standards such as TCFD and TPI.</p> <p>FTSE Russell assesses ESG and green revenues disclosure and performance of companies globally and provides this analysis to investors around the world. This data is also used to construct the FTSE ESG Index Series, which highlights companies that meet good practice standards. The Green Economy Mark cohort must disclose their green revenues and the exchange may remove their designation if they fail to provide sufficient green revenue disclosures. In our policy manifesto, we encourage policymakers to require disclosure of corporate revenues derived from products and services providing green solutions to help inform investors seeking to shift capital towards companies making a positive contribution.</p> <p>Sustainable Bond Market issuers are required to provide annual disclosures and failure to do so would result in the instrument being removed from the platform.</p>
8	What connections have you made between national sustainable development frameworks and goals, and your exchange's existing Standard and norms?	<p>The ESG Reporting Guidance builds on disclosure standards across the UK.</p> <p>In 2021, the FCA mandated TCFD-aligned disclosures by some public companies. The London Stock Exchange's TCFD Climate Reporting Guidance aids companies understanding of the disclosure requirements and regulatory landscape with the intention of improving disclosure standards on our markets.</p> <p>We have representatives that are members of both the Voluntary Carbon Markets Integrity Council and the UK Voluntary Carbon Markets Forum, which are focused on scaling the global voluntary carbon market. We responded to their recommendations by launching a Voluntary Carbon Market to increase the flow of capital into new climate mitigation projects worldwide.</p> <p>LSEG also has representatives that are members of the Green Taxonomy Advisory Group (GTAG) which is contributing to the development of a UK green taxonomy, a common framework for sustainable investment.</p> <p>The exchange participates in several ICMA working groups that are responsible for establishing and reviewing frameworks in the fixed income market. These ICMA principles form some of the International Principles we require issuers to adhere to list on our SBM.</p> <p>Through our membership and engagement with GFANZ and the Net Zero Financial Service Providers Alliance, we are contributing to this transformative step in embedding net zero across the whole financial system. We have committed to aligning all relevant services and products to net zero by 2050.</p>
Issuer capacity building		
9	If your exchange offers sustainability guidance for companies, please provide a description of the process for its creation.	<p>During the development phase for the Climate Reporting Guidance, which was published in 2021, we consulted market participants who reviewed the document to ensure it met the needs of a broad range of issuers.</p> <p>Our guidance was based on the UN SSE Model Guidance on Climate-related Disclosure, in addition to incorporating UK regulatory considerations and practical examples. We continue to monitor global policy and regulatory developments to ensure the guidance remains relevant.</p> <p>During the development phase for our Climate Transition Offering (which comprises data, guidance and training), we engaged with a number of companies, financial market participants, and advisory groups, to inform its creation.</p> <p>The established Sustainable Bond Market Advisory Group participated in the development of the disclosure criteria for the Transition Bond Segment.</p> <p>After we announced our intention at COP26 to develop a Voluntary Carbon Market, we convened an External Delivery Group of experts from across the financial sector and carbon markets including lawyers, fund managers, project developers, and companies. These participants were instrumental in shaping and refining the product ahead of launch in October 2022.</p>
10	Do you and/or your regulator provide guidance on externally assuring ESG disclosures? In your market, how common is external assurance of ESG disclosures?	<p>LSEG ESG guidance recommends enhancing the credibility of ESG information through internal and/or external assurance (see 'Investment Grade Data' chapter of the guidance).</p>

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Collaboration and engagement

11 Who does your exchange view as its key stakeholders and how does it engage and collaborate (or plan to do so) with these and potentially other stakeholders?

As a stock exchange which sits at the centre of financial markets, we have several stakeholders, and we believe it is important to communicate and collaborate with them. These include private companies, public companies (across asset classes), advisers, brokers, and investors, as well as regulators, policy makers, and national government organisations.

We do this in a range of ways including:

- We engage with other exchanges around the world through the UN SSE and the World Federation of Exchanges (WFE) to share best practice. Through our involvement with the UN SSE, we co-chaired (alongside the Johannesburg Stock Exchange) the development of the UN SSE Model Guidance on Climate-related Disclosure.
- We respond to regulator consultations and have responded positively to consultations related to non-financial disclosure.
- We host events for public companies and prospective issuers which cover key sustainability and climate related topics.
- We actively participate in industry initiatives and external working groups.
- We provide Refinitiv's ESG Data and Scores to our London-listed issuers to enable them to assess their performance against peers and identify areas of improvement.
- We are working in a range of ways to support the growth and development of sustainable finance: LSEG is a partner of the Climate Bonds Initiative, part of ICMA's Green Bond Principles and Social Bond Principles Advisory Council and has created a forum in the Sustainable Bond Market Advisory Group.

Sustainable products

12 How has your exchange supported the development of financial products that address sustainability-related issues (e.g. ESG Indices, carbon markets, social/environmental bonds, sustainable development funds, etc)?

From the pioneers who are leading the green economy to the more carbon-intensive industry sectors making the transition to lower-carbon operating models, the London Stock Exchange is committed to supporting issuers with access to capital and sustainable finance products and services across a range of asset classes.

In October 2022, we launched our Voluntary Carbon Market. This is a designation for funds or operating companies on AIM or Main Market that are intent on financing climate change mitigation projects which are expected to yield carbon credits. This provides an alternative solution to procurement for corporates seeking access to a supply of carbon credits to augment their decarbonisation strategies.

Our Green Economy Mark recognises companies and funds on our markets with 50% or more of their revenues derived from products and services that contribute to the global green economy. It helps to increase the visibility of issuers on London's markets that are contributing to achieving positive environmental objectives. More than 100 companies and funds with a combined market cap of £150bn+ currently hold the Green Economy Mark.

The Sustainable Bond Market allows issuers of qualifying sustainable debt instruments to display bonds on the platform, providing access to the largest, most sophisticated, and long-term oriented investor base for sustainable debt finance.

Through our Issuer Services platform, London-listed companies can access the ESG Data and Scores of Refinitiv, one of the industry's most comprehensive ESG databases covering 14,000 companies. Through this database, issuers can gain a global view of ESG performance in their sector and understand best practice ESG disclosure.

Our Climate Transition Offering helps companies to prepare for the transition to low-carbon through access to tools, resources and education. Our Climate Governance Score and Tool helps companies to assess their carbon management practices. The Climate Reporting Guidance and complementary training videos helps companies discover best practice climate reporting and TCFD implementation.

The Transition Bond Segment offers a solution for companies requiring access to capital to mobilise transition plans.

FTSE Russell, an LSEG business, provides more than 180 ESG and sustainable indices, including its established FTSE4GOOD index series which measures the performance of companies demonstrating strong ESG credentials and the FTSE TPI Climate Transition Index Series which includes five key climate data inputs from the TPI core assessments and FTSE Russell's climate framework.

There are more than 330 ESG ETF listings in London, assets invested into London-listed ESG ETFs stand at more than \$227bn.

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Exchange needs

13	Are there any specific resources that you would like from the SSE or other relevant groups to help you in your sustainability work?	<p>The UN SSE should support exchanges to mobilise strategies in relation to achieving their commitments made under the Net Zero Financial Services Providers Alliance. The UN SSE can also use its convening power to promote engagement between exchanges around other important topics including social impact, diversity and carbon markets.</p>
14	Are there any specific requests you have of investors, issuers and regulators in terms of their role in advancing sustainability in the market?	<p>LSEG looks forward to continuing to collaborate with investors, issuers, and regulators on the sustainable finance and investment agenda.</p> <p>It is key to the continued success of ESG disclosure that issuers understand how investors are transitioning capital allocations in response to ESG considerations. Therefore, we'll keep placing emphasis on the importance of investor-issuer dialogue on ESG issues, as a complement to high-quality ESG data flows.</p> <p>We recognise the importance of data and disclosure in directing capital towards sustainable economic activity and welcome the establishment of the International Sustainability Standards Board (ISSB) which should deliver a comprehensive global baseline of sustainability-related disclosure.</p> <p>Our policy advocacy asks that policymakers introduce mandatory disclosures that align with ISSB and are consistent across private and public companies. We are also calling for greater disclosure of green revenues data and mandatory transition plans.</p>

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UN Global Compact: The Ten Principles

Human rights		Page
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Page 35 of the Sustainability Report and page 53 of the Annual Report
Principle 2	Make sure that they are not complicit in human rights abuses.	Page 35 of the Sustainability Report and page 53 of the Annual Report
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Pages 24 to 27 and 39 of the Sustainability Report
Principle 4	The elimination of all forms of forced and compulsory labour;	Please see link to Modern Slavery Statement https://www.lseg.com/en/sustainability-strategy/disclosures-and-reports
Principle 5	The effective abolition of child labour; and	Please see link to Modern Slavery Statement https://www.lseg.com/en/sustainability-strategy/disclosures-and-reports
Principle 6	The elimination of discrimination in respect of employment and occupation.	Please see link to Modern Slavery Statement https://www.lseg.com/en/sustainability-strategy/disclosures-and-reports
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	Pages 10 to 21 of the Sustainability Report
Principle 8	Undertake initiatives to promote greater environmental responsibility; and	Pages 10 to 21 of the Sustainability Report
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	Pages 10 to 21 of the Sustainability Report
Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Page 33 of the Sustainability Report and page 53 of the Annual Report Please see link to Modern Slavery Statement https://www.lseg.com/en/sustainability-strategy/disclosures-and-reports

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World Federation of Exchanges (WFE) principles

Having joined the World Federation of Exchanges (WFE) in 2018, LSEG has committed to take on a leadership role in promoting the sustainable finance agenda. Below we summarise our efforts to promote the principles progressively in accordance with our circumstances and priorities.

Principles	Principles in action
Principle 1 Exchanges will work to educate participants in the exchange ecosystem about the importance of sustainability issues	<ul style="list-style-type: none"> In partnership with the UN SSE, we hosted interactive training sessions to support London listed companies with their climate reporting and TCFD compliance. We provide training videos on climate reporting through our Issuer Services platform so companies can develop their skills at their own pace. We have published Climate Reporting Guidance to help issuers understand and implement TCFD recommendations. This guidance can also provide best practice for AIM companies and funds which are not yet in scope of TCFD. We provide two online tools for companies to get insights into best practice ESG disclosure and climate reporting, harnessing data from FTSE Russell and expanding the use of the Transition Pathway Initiative's (TPI) Management Quality methodology to help companies measure their carbon management practices. In ESG reporting, we have produced guidance to help companies understand leading global frameworks, reporting formats, and recommended disclosures per industry. We update this on an ad hoc basis to reflect changes in standards and regulation. The London Stock Exchange holds regular events and webinars and publishes content pieces to educate the market on sustainability issues and sector themes.
Principle 2 Exchanges will promote the enhanced availability of investor-relevant, decision-useful ESG information	<ul style="list-style-type: none"> We provide issuers with access to Refinitiv's ESG Data and Scores through our Issuer Services platform covering more than 600 metrics from companies globally, so they can compare their ESG performance against their peers and discover best practice disclosure for their industry. Utilising FTSE Russell's Green Revenues Classification System, we provide a mechanism to identify companies contributing to the global green economy via the Green Economy Mark. This allows investors to identify an investible universe of green equities across a range of industries on AIM and the Main Market. Our ESG Reporting Guidance and Climate Reporting Guidance helps issuers to produce decision-useful ESG and climate-related information aligned with investors' expectations. Through our Issuer Services platform, companies have access to webinars and thought leadership pieces on key ESG themes.
Principle 3 Exchanges will actively engage with stakeholders to advance the sustainable finance agenda	<ul style="list-style-type: none"> Our stakeholder engagement is outlined in pages 30 to 31 of our Sustainability Report.
Principle 4 Exchanges will provide markets and products that support the scaling-up of sustainable finance and reorientation of financial flows	<ul style="list-style-type: none"> The Green Economy Mark, as outlined above, helps investors identify an investible universe of green equities across a range of industries. The Sustainable Bond Market provides a platform to list green, social, sustainability, and sustainability-linked, and transition bonds. Last year we expanded the Sustainable Bond Market and established the Transition Bond Segment, which helps more carbon-intensive companies raise finance to fund credible transition plans. Last year, we launched our Climate Transition Offering which helps companies to prepare for the transition to low-carbon through access to tools, resources and education. Our Climate Governance Score and Climate Governance Tool helps companies to assess their carbon management practices and incorporation of climate change considerations into business strategies. Our Climate Reporting Guidance and complementary training videos helps companies discover best practice climate reporting and TCFD implementation. In October, we launched our Voluntary Carbon Market. The designation is for funds or operating companies on AIM or the Main Market which are intent on financing climate change mitigation projects that are expected to give rise to carbon credits.
Principle 5 Exchanges will establish effective internal governance and operational processes and policies to support their sustainability efforts	<ul style="list-style-type: none"> We continue to assess the materiality of ESG and related risks to LSEG and to increasingly integrate these considerations into our Enterprise-wide Risk Management framework. A description of our sustainability governance can be found in our sustainability report page 37.

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World Economic Forum's Stakeholder Capitalism Index

As an advocate for greater transparency, LSEG is committed to providing meaningful sustainability information to our stakeholders. We continue to enhance our sustainability reporting with our second disclosure aligned to the World Economic Forum report: Measuring Stakeholder Capitalism – Towards Common Metrics and Consistent Reporting of Sustainable Value Creation.

The table below summarises LSEG's current 21 core metrics alignment.

Metric	Disclosure/Theme	Indicator	Response and Reference
Principles of Governance Metrics	Governing purpose	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.	LSEG's purpose statement is available on our website and in our Sustainability Report www.lseg.com and https://www.lseg.com/en/sustainability-strategy/disclosures-and-reports
	Quality of governing body	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.	LSEG Sustainability Report 2022: see Governance and management https://www.lseg.com/en/sustainability-strategy/disclosures-and-reports
	Stakeholder engagement	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.	LSEG Sustainability Report 2022: see sustainability materiality on page 9
	Ethical behaviour	Anti-corruption 1. Total percentage of governance body members, employees and business partners who have received training on the organisation's anticorruption policies and procedures, broken down by region. 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. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	This is covered in our Annual Report and Accounts 2022, pages 53 and 74 to 84 We have in place an Anti-bribery and Corruption Policy – UK Bribery Act LSEG We currently do not break down our performance data in the format required for this metric.
	Ethical behaviour	Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organisational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.	Please see https://www.lseg.com/en/policies/whistleblowing
	Risk and opportunity oversight	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.	LSEG Sustainability Report 2022: see page 9 Refer to LSEG Climate Report https://www.lseg.com/en/sustainability-strategy/disclosures-and-reports

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Metric	Disclosure/Theme	Indicator	Response and Reference
Planet Metrics	Climate change	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 (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	LSEG Sustainability Report 2022: Pages 17 and 41 LSEG 2022 submission to CDP, available here: https://www.lseg.com/en/sustainability-strategy/disclosures-and-reports
	Climate change	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.	LSEG Sustainability Report 2022: Page 14 LSEG 2022 Climate Report available here: https://www.lseg.com/en/sustainability-strategy/disclosures-and-reports
	Nature loss	Land use and ecological sensitivity Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	Not applicable We currently do not report on this indicator
	Freshwater availability	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.	Not Applicable We currently do not report on this indicator
People Metrics	Dignity and equality	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: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	LSEG Sustainability Report, page 35 LSEG Human Rights Statement LSEG Modern Slavery Statement LSEG Supplier Code of Conduct
	Health and well being	Health and safety (%) 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 organisation facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	LSEG Sustainability Report 2022, pages 33 and 39
	Dignity and equality	Diversity and inclusion (%) Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	LSEG Sustainability Report 2022: page 25
	Dignity and equality	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.	We currently do not break down our performance data in the format required for this metric. Refer to Pay Equity Report here: https://www.lseg.com/en/sustainability-strategy/disclosures-and-reports
	Dignity and equality	Wage level (%) 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.	Please refer to Pay Equity Report here: https://www.lseg.com/en/sustainability-strategy/disclosures-and-reports
	Skills for the future	Training provided (#, \$) Average hours of training per person that the organisation'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). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	LSEG Sustainability Report 2022: see pages 25 and 33

Reporting frameworks continued

Metric	Disclosure/Theme	Indicator	Response and Reference
Planet Metrics	Employment and wealth generation	Absolute number and rate of employment 1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	LSEG Sustainability Report 2022: see pages 23 and 25
	Community and social vitality	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.	LSEG Annual Report and Accounts pages 105 to 110
	Employment and wealth generation	Economic contribution 1. Direct economic value generated and distributed (EVG&D), on an accrual's basis, covering the basic components for the organisation's global operations, ideally split out by: <ul style="list-style-type: none"> – Revenues – Operating costs – Employee wages and benefits – Payments to providers of capital – Payments to government – Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period.	Not applicable We currently do not break down our performance data in the format required for this metric.
	Innovation of better products and services	Total R&D expenses (\$) Total costs related to research and development.	More information about LSEG's approach to research and development can be found in the LSEG Strategic Report. https://www.lseg.com/en/investor-relations#investor-info
	Employment and wealth generation	Financial investment contribution 1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. 2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	See Annual Report page 40 Financials statement, page 48