



LSEG

OPEN MAKES MORE POSSIBLE

LONDON STOCK EXCHANGE GROUP PLC
GROUP SUSTAINABILITY REPORT 2022



Enabling
sustainable
growth



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ACCELERATING THE JUST TRANSITION TO NET ZERO

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Further information on London Stock Exchange Group can be found at: www.lseg.com



Introduction

WHO WE ARE

LSEG is a leading global financial markets infrastructure and data provider. We play a vital social and economic role in the world's financial system. With our trusted expertise and global scale, we enable the sustainable growth and stability of our customers and their communities.

LSEG is headquartered in the United Kingdom, with significant operations in 65 countries across EMEA, North America, Latin America and Asia Pacific. We employ 24,000+ people globally.

OUR PURPOSE

Driving financial stability, empowering economies and enabling customers to create sustainable growth.

About the photography in this report

In March 2022, employees and contractors across the globe helped to bring LSEG's sustainability strategy to life through our Picture our Priorities photography competition.

The photographs reflect the three pillars of our sustainability strategy:

- Accelerating the just transition to net zero
- Enabling the growth of the green economy
- Creating inclusive economic opportunity

Many of the images used in this report are photographs submitted as part of that competition.

Message from our CEO



Positioned at the centre of global financial markets, LSEG is uniquely placed to be a strategic enabler of sustainable growth.

David Schwimmer
Chief Executive Officer

At LSEG, we speak often about our purpose as an organisation – driving financial stability, empowering economies and enabling our customers to create sustainable growth. We are committed to making a positive impact on those we serve, the economies that rely on us and the communities in which we live and work.

In the coming decades, world economies must transform to ensure that economic progress is effectively balanced with environmental protection and social inclusion. Positioned at the centre of global financial markets, LSEG is uniquely placed to be a strategic enabler of sustainable growth. In 2022, we took significant steps to further embed sustainability into our business and drive progress on critical social and environmental issues.

Transparency is vital to an effective climate transition. 2022 was an important year for advancing climate disclosure standards, and I was honoured to serve on the UK Transition Plan Taskforce. Convened by HM Treasury, this taskforce is charged with creating the gold standard climate transition plans that will become mandatory for UK companies. I was also delighted to continue our work with GFANZ, leading its work on real economy transition pathways alongside AXA and Allianz. Our efforts resulted in clear, action-oriented guidance to help companies of all sizes, industries and geographies produce credible and comprehensive transition plans.

LSEG is also committed to using our position at the heart of financial markets to contribute to development of effective policy frameworks. This year, we set out our policy recommendations calling for advances in corporate sustainability disclosure – across both public and private companies.

LSEG is hard at work to uphold our own high standards. In March, we published our first Climate Transition Plan, which received strong shareholder support at our Annual General Meeting. The plan sets out how we will achieve our target of halving our carbon emissions by 2030 – you can see our progress against this plan in our follow-up Climate Report which can be found here.

As the global economy decarbonises, there is a clear role for carbon markets, and LSEG is proud to play its part. In 2022, the London Stock Exchange launched its voluntary carbon market designation. This designation will enable companies and investors to augment credible net zero transition strategies by financing carbon mitigation projects to offset unavoidable carbon emissions during the path to net zero.

Alongside transition, we must effectively allocate capital to the green economy. LSEG continued to play a key role in growing this part of the market through our Green Revenues data model. By the close of the year, £12 billion had been raised on our Sustainable Bond Market, and 108 companies and funds received the Green Economy Mark.

Message from our CEO continued

While LSEG has played a major role in advancing sustainable objectives through external initiatives and taskforces, we have also achieved important social inclusion milestones within our business and in our communities around the world.

At LSEG we have doubled down on our efforts to build an inclusive culture. We have made great progress – by the end of the year we achieved our goal to have 40% of senior leadership roles filled by women. However, we still have more to do. In the year ahead, we will continue to sustain our efforts to achieve our goals for the executive pipeline and underrepresented ethnic groups.

Finally, I am proud to see the evolution of the LSEG Foundation which is making a difference to people's lives through its economic empowerment work and partnerships. In 2022, The LSEG Foundation developed four strategic, multi-year charity partnerships with Room to Read, Girls Who Code, Skills Builder and Women's World Banking. We have real confidence in these organisations' ability to empower and elevate individuals around the world and look forward to supporting them in the years to come. The Foundation also supports scores of local charities in our communities and made significant contributions in response to the invasion of Ukraine, the economic crisis in Sri Lanka and the major floods in Pakistan.

2022 was a strong year for LSEG's sustainability goals. As we look to 2023, there is more to be done to secure a sustainable future, and LSEG is committed to playing a key role every step of the way.

We look forward to sharing our progress in the future.

David Schwimmer
Chief Executive Officer

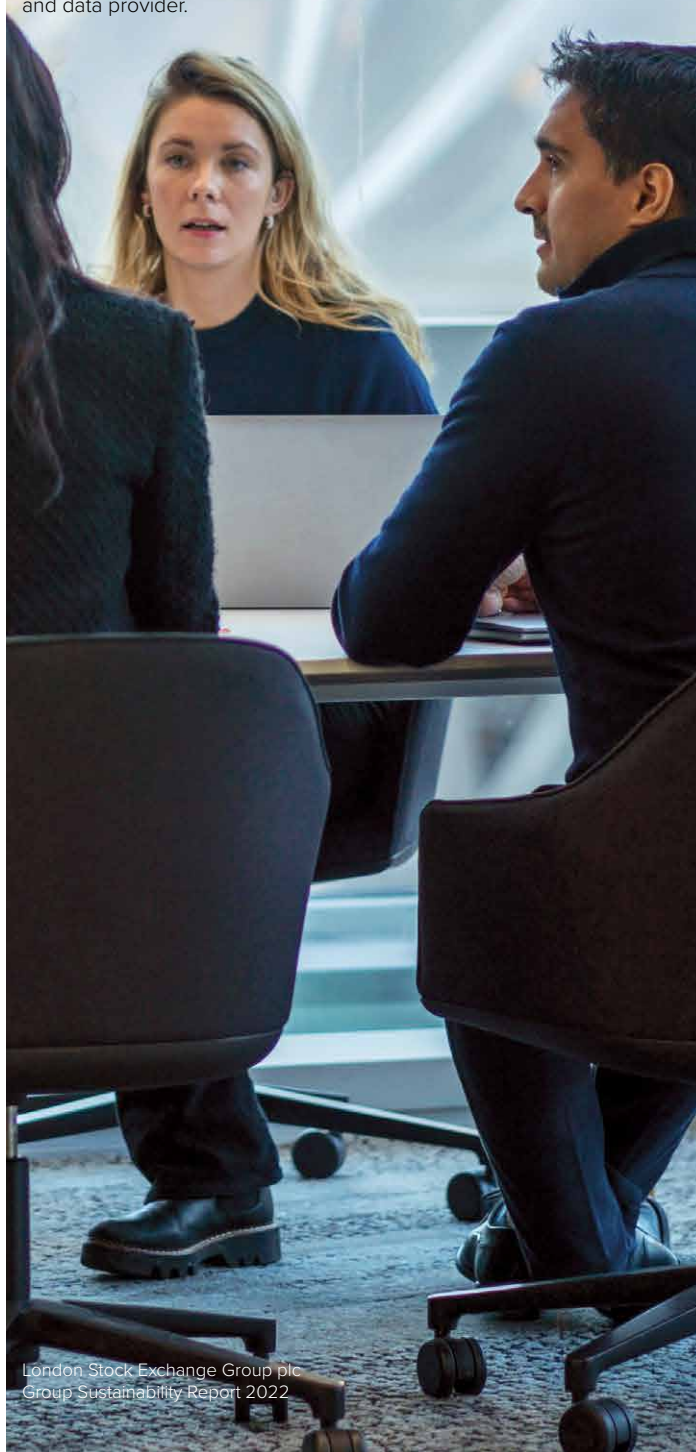
LSEG and Microsoft

At the end of 2022, LSEG and Microsoft announced a ten-year strategic partnership on next generation data and analytics and cloud infrastructure solutions. This partnership will enable LSEG's data infrastructure to be accessible via the Microsoft Cloud, and to jointly develop new products and services. This will build on the integration of LSEG and Refinitiv and will enhance our position as a world-leading financial markets infrastructure and data provider.

The Microsoft Cloud, and its artificial intelligence (AI) capabilities, significantly advances LSEG's strategy to build its Data & Analytics business and deliver next-generation services for a range of customers across the financial markets.



[Click here for more information](#)



Our sustainability strategy

Our purpose is driving financial stability, empowering economies and enabling customers to create sustainable growth. We are committed to supporting sustainable economic development, which requires the harmonisation of economic growth with social inclusion and environmental protection.

Our sustainability strategy focuses on those issues of greatest relevance to our business and our stakeholders, and where we can have the greatest positive impact. We are working towards three strategic sustainability priorities, while embedding sustainability into our customer propositions, market engagement and our own operations.

STRATEGIC PRIORITIES

Priority 1

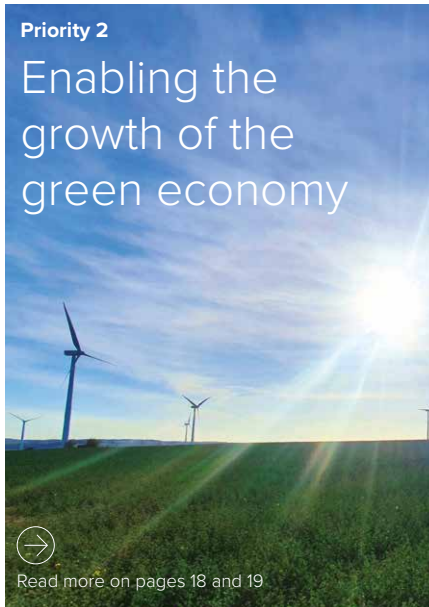
Accelerating the just transition to net zero



Read more on pages 10 and 11

Priority 2

Enabling the growth of the green economy



Read more on pages 18 and 19

Priority 3

Creating inclusive economic opportunity



Read more on pages 22 and 23

ENABLING ACTIVITY



Supporting customers to create sustainable growth

Market engagement and policy advocacy

Embedding sustainability into our operations



Our sustainability strategy continued

2022 IN NUMBERS

We achieved a 55% reduction in our absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions from 2019 baseline

55%

Raised on the Green and Sustainable Bond segments in 2022

£22bn

Proportion of women in leadership roles

40%

Proportion of electricity from renewable sources, including the use of Energy Attribute Certificates

100%

Companies and funds with the Green Economy Mark

108

Proportion of leadership from underrepresented ethnic groups

15%

37% of the emissions from the goods and services we buy are from suppliers who have set their own science-based targets

37%

Companies researched to assess green revenues

16,000

Volunteer hours

24,872

98.6% shareholder support for LSEG Climate Transition Plan at 2022 AGM

98.6%

In 2022, over 77 bonds were admitted to the Sustainable Bond Market (SBM)

77

 bonds

Grants to charity partners

£4m

Our sustainability strategy continued

OUR THREE STRATEGIC SUSTAINABILITY PRIORITIES**Priority 1**

Accelerating the just transition to net zero

Decarbonising the global economy is critical to minimise the worst social and environmental impacts of climate change. This requires a large-scale reallocation of capital globally while ensuring that the costs and benefits of transition are shared fairly between countries. LSEG uses its unique market position, capabilities, products and services to support and accelerate a just transition.

Our objectives**Transition capital**

Enable more companies and issuers to access the capital needed to finance the transition to a low-carbon economy and enable investors to build transition-aligned portfolios.

Data and disclosure

Improve transparency and understanding of environmental, social and financial risks associated with the transition by promoting clear, comparable and comprehensive data, analytical tools and research to inform investment decision-making, deeper engagement between companies and investors, and market-wide collaboration.

Reducing our impact

Fulfil our commitment to the UN Race to Zero to reduce LSEG's carbon emissions by 50% by 2030, with a long-term ambition to reach net zero by 2040.



Read more on pages 10 and 11

Priority 2

Enabling the growth of the green economy

Sustainable economic growth requires more economic activity to be focused on creating, scaling and delivering solutions to the world's environmental and social challenges. At the centre of capital markets, LSEG has a pivotal role in helping capital to flow towards sustainable economic activity.

Our objectives**Green finance**

Provide the market infrastructure needed to enable more capital to flow towards sustainable economic activity.

Research and data

Leverage our research and data capabilities to support the growth of the green economy.

Engagement

Support market collaboration, innovation and public policy to scale green economic growth globally.



Read more on pages 18 and 19

Priority 3

Creating inclusive economic opportunity

An inclusive economy enables people to participate in, and benefit from, economic activity, regardless of their gender, ethnicity, religion, social background, disability, or any other characteristic. We empower economies, communities, and individuals by championing inclusion and creating access to education, employment and enterprise.

Our objectives**Inclusive culture**

Embed an inclusive culture at LSEG that values diverse perspectives and embraces diversity of every kind.

Inclusive markets

Use our central position within global capital markets to promote inclusion within companies, industry and society more widely through market collaboration, research and greater disclosure.

Economic empowerment

Support economic empowerment by enabling access to education, employment and enterprise opportunities.



Read more on pages 22 and 23

UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) set a global framework for countries, businesses and other stakeholders to address society's most important challenges, working together in accordance with their different roles. The SDGs informed our strategy development, and we broadly mapped how we make a direct or indirect contribution to achieving them. The actions we take under our sustainability strategy directly contribute most to seven of the SDGs.

UN SDG	Our sustainability approach
 <p>SDG 4 Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>	<ul style="list-style-type: none"> — Strategic priority: Creating inclusive economic opportunity. — Objective: Economic empowerment (particularly via the LSEG Foundation).
 <p>SDG 5 Gender Equality Achieve gender equality and empower all women and girls.</p>	<ul style="list-style-type: none"> — Strategic priority: Creating inclusive economic opportunity. — Objectives: Inclusive culture; Inclusive markets; and Economic empowerment.
 <p>SDG 8 Decent Work & Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<ul style="list-style-type: none"> — Strategic priorities: Transition to net zero; Enabling the growth of the green economy; Creating inclusive economic opportunity. — Multiple objectives within our sustainability strategy link to this SDG as well as our work on protecting human labour rights.
 <p>SDG 10 Reduced Inequalities Reduce inequality within and among countries.</p>	<ul style="list-style-type: none"> — Strategic priority: Creating inclusive economic opportunity. — Objectives: Inclusive culture; Inclusive markets; and Economic empowerment.
 <p>SDG 13 Climate Action Take urgent action to combat climate change and its impacts.</p>	<ul style="list-style-type: none"> — Strategic priority: Transition to net zero. — Objectives: Transition capital; Data and disclosure; Reducing our impact.
 <p>SDG 16 Peace, Justice and Strong Institutions Promote peaceful and inclusive societies, providing access to justice for all and building effective, accountable and inclusive institutions at all levels.</p>	<ul style="list-style-type: none"> — We contribute to this SDG by ensuring we operate as a responsible business, for example, our policies on bribery and corruption, human rights, modern slavery, financial crime, code of conduct and supplier code of conduct.
 <p>SDG 17 Partnerships for the goals Strengthen the means of implementation and revitalise the global partnership for sustainable development.</p>	<ul style="list-style-type: none"> — We contribute to this SDG through our extensive sustainability-related engagement with companies, policy-makers, market participants, and wider stakeholders.

Materiality assessment

We carried out a comprehensive materiality assessment in 2021 to ensure that our sustainability approach encompasses the topics that are most important to our business and its long-term performance.

The exercise, undertaken by an independent party, included a broad review of relevant regulations, disclosure frameworks and other information. It also involved interviews to gather perspectives from stakeholders such as employees, customers, shareholders, suppliers, policy-influencers and media. The relative prioritisation of topics was evaluated, accounting for internal and external stakeholder perceptions.

Material sustainability topics can present risks, costs, or revenue opportunities, and therefore affect our long-term shareholder value creation. The resulting topics are listed here, in order of relative importance.

Material sustainability topics

- 1 Sustainable finance
- 2 Climate risk management
- 3 Talent attraction and retention
- 4 Information security and data privacy
- 5 Diversity and inclusion
- 6 Corporate governance
- 7 Environmental management and GHG emissions (operational)
- 8 Human rights
- 9 Workplace health, safety and wellbeing
- 10 Business ethics
- 11 Community engagement

The relevance of the most material sustainability issues is expanded below:

Topic	Relevance to LSEG
Sustainable finance LSEG's role in driving a sustainable economy through the development of products and solutions that can accelerate the transition to a low-carbon and sustainable economy.	This helps us serve our customers and creates revenue opportunities for LSEG. In this report we summarise a range of our sustainable finance products and services.
Climate risk management LSEG's preparedness for the impacts of climate change on the business – response to climate change risks and opportunities, understanding and preparedness for impacts (financial and economic loss, physical pressures on assets and supply chains) and response to legislation.	This topic is relevant to LSEG as it relates to the management of operational and transitional climate risks which can have a material impact on our customers and our business.
Talent attraction and retention LSEG's approach to recruitment and retention, including learning and development opportunities and activities that support employee satisfaction and fosters a positive workplace culture.	Effective management of this topic affects our ability to run a successful business; failure to address it adequately creates business continuity risks.
Information security and data privacy LSEG's handling of customer and commercial data in a secure and safe way, including managing LSEG's exposure to evolving privacy regulations as well as vulnerability to data breaches and processes in place to protect data.	Related to corporate governance, a failure to protect data and provide information security creates risk for us, such as exposure to financial crime, and costs for our customers.



PRIORITY 1

Accelerating the just transition to net zero

We are accelerating the transition by enabling transition finance, promoting clear, comparable and comprehensive sustainability data, analytical tools and research, and we are reducing our own environmental impact.

In this section we share some of our key deliverables this year against this strategic priority.

In this section**Transition capital**

More information can be found on page 11

Data and disclosure

More information can be found on page 12

Reducing our impact

More information can be found on page 14

Transition capital

Transition Bonds

The London Stock Exchange launched its Transition Bond Segment in 2021. By the end of 2022, £1 billion had been raised on this segment since it was launched in 2021. As the pressure on companies to manage climate risk increases, more issuers are looking to make transition plans. Our Transition Bond Segment can be used by companies in sectors not traditionally part of the green economy to raise capital to finance credible transition plans.

Voluntary Carbon Market

In 2022, we launched our Voluntary Carbon Market designation (VCM) for investment funds and operating companies listed on the London Stock Exchange's markets, investing in climate change mitigation activities that are expected to issue carbon credits. To be eligible for the designation, issuers must meet specific additional requirements to the market listing or admission rules. Demand for carbon credits is growing as more organisations set carbon reduction targets and use carbon credits to compensate for their residual emissions while on the path to net zero.

LSEG's VCM aims to address two major barriers to scaling the global voluntary carbon market: capital at scale for the development of new carbon reduction projects worldwide; and primary market access to carbon credits for investors, including corporates.

As more companies make long-term commitments that include the use of carbon credits, significant new supply will be needed from high-integrity climate projects. This requires capital at a scale that the public markets are best able to provide, however, this will need investors to become much more confident in the integrity of the investments being made and the carbon credits generated.

The VCM designation brings a public markets regulatory framework that builds upon the current voluntary carbon market ecosystem of standards and verification bodies, providing guardrails on eligible standards and requiring detailed upfront and ongoing disclosures.

Funds and companies that receive the designation can choose to issue carbon credits as a dividend in-specie, which makes them an instrument that corporate end-buyers can invest into, to receive the credits that they will need to procure. As the shares in the funds and companies can be traded, investors can benefit from liquidity that is not available by investing directly into projects.

LSEG's VCM facilitates access to capital for climate action, particularly in the Global South where many projects are undertaken, whilst driving best practice through increasing the visibility required by disclosure requirements and providing an additional route to market for end-buyers of carbon credits.



[Click here for more information](#)

Voluntary Carbon Market

Foresight Sustainable Forestry Company PLC (FSF), a Premium Main Market investment company, is the first issuer to obtain the Voluntary Carbon Market designation. The fund provides exposure to investment returns from UK forestry and afforestation projects, with future exposure to voluntary carbon credits certified by the UK Woodland Carbon Code. There are currently 27 afforestation schemes, making up 40% of FSF's total portfolio by value. The carbon sequestered by these afforestation activities is expected to generate approximately 800,000 voluntary carbon credits (equivalent to 800,000 tonnes of CO₂e removed) certified by the Woodland Carbon Code.

The Company's strategy is to develop afforestation assets, exit these young established forests and recycle the capital into new waves of afforestation development. By 2050, the Company estimates that the current capital base will have been recycled five times with the anticipation that this will yield, in aggregate, 5,000,000 voluntary carbon credits. Investors in FSF can choose to receive carbon credits as a dividend in-specie, instead of a financial dividend.

Estimated voluntary carbon credits generated by 2050

5m

Transition bond capital raised to date

£1.4bn

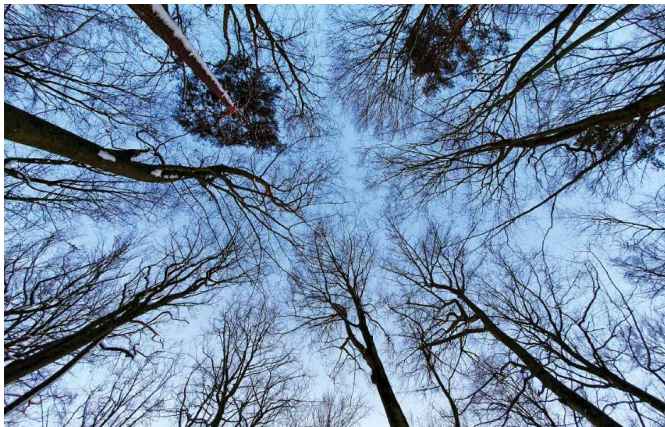
Data and disclosure

LSEG’s policy recommendations call for economy-wide mandatory disclosure of climate risk and opportunity for private and listed companies.



Share of FTSE All World failing to report Scope 1 and Scope 2 data.

42%



LSEG policy recommendations

This year we published policy recommendations for sustainability disclosure to help mobilise capital needed to accelerate the transition to net zero and grow the green economy. This calls for economy-wide mandatory disclosure of climate risk and opportunity (in line with TCFD) for private and listed companies. The paper also recommends mandatory disclosure of revenues derived from green solutions, and climate transition plans.



[Click here for more information](#)

UK Transition Plan Taskforce

In March 2022, the UK Economic Secretary to the Treasury invited LSEG CEO, David Schwimmer, to join the Taskforce steering group. The group aims to set the ‘gold standard’ for climate transition plans, due to be mandated in the UK. LSEG has been involved in the taskforce, helping to ensure it is joined up with emerging global approaches and to prevent an over-proliferation of standards. The draft disclosure framework was released for consultation during COP27 in November.



[Click here for more information](#)

Glasgow Financial Alliance for Net Zero (GFANZ)

LSEG continued its involvement with GFANZ during the year. As part of this coalition of 450 financial sector firms aiming to enable an economy-wide push for best practice disclosure on climate transition. LSEG led the GFANZ workstream on ‘real economy’ transition planning, alongside NatWest and AXA Group. The resulting guidance helps companies to develop and disclose credible transition plans. The guidance was officially launched at an LSEG hosted event during New York Climate Action Week in September 2022.



[Click here for more information](#)

Mind the gaps – clarifying corporate carbon

We published this research paper in 2022 to explore the state of corporate carbon disclosure and the challenges facing investors in using estimated data. High-quality emissions data is critical to developing low-carbon investment products, and in portfolio-level climate targets, regulatory reporting and compliance, and forecasting. As pressure continues on investors to decarbonise their portfolios, the importance of this metric is likely to increase. The research also found that significant reporting gaps exist: 42% of the FTSE All World have yet to report Scope 1 and Scope 2 data. With this in mind we are advocating for mandatory disclosure of climate data.



[Click here for more information](#)

Data and disclosure continued

FTSE Russell and Ping An

FTSE Russell announced its strategic partnership with Ping An, a leading retail financial services group, initially launching the FTSE Ping An China ESG Index Series. The series combines Ping An's China-specific ESG data and FTSE Russell's leading China benchmarks. The new series offers one of the very few ESG 'Best in Class' indices covering the China A- Shares universe.

The initial launch consists of two ESG indices focused on onshore investors: (i) FTSE Ping An China A Free ESG Advanced 50 Index, and (ii) FTSE Ping An China A Free ESG Advanced 100 Index.

The partnership enables retail investors to access opportunities in companies with strong ESG performance in China's dynamic and strategically important capital markets.

ESG data

LSEG provides customers with a wide range of environmental, social and governance (ESG) data across different asset classes. This includes Refinitiv's highly granular data and ratings of over 14,000 companies globally, drawing on over 600 metrics to provide advanced ESG analytics. Refinitiv's services sit alongside FTSE Russell's ESG research covering thousands more companies. With respect to debt markets, Beyond Ratings provides ESG-related data on thousands of corporate credit issuers and over 175 sovereign issuers.

Climate Governance Scores

In 2022, the London Stock Exchange introduced Climate Governance Scores for over 400 issuers. These scores provide an evaluation of corporate carbon management practices and how climate change considerations are built into business strategies. FTSE Russell provides the data for the score based on the Transition Partnership Initiative's (TPI) management quality score methodology.

UN Climate Data Utility

In 2022, LSEG joined the Climate Data Steering Committee, which in September unveiled recommendations on the design of a new open-data utility, the Net-Zero Data Public Utility (NZDPU). The utility will address data gaps, inconsistencies and inaccessibility that slow climate action by making the data openly available to all.



[Click here for more information](#)

ESG data on 14,000 companies globally

14,000

Number of metrics used by LSEG in ESG analytics

600

Reducing our impact

Climate Transition Plan

This year we published our first Climate Transition Plan, which received almost 99% support from our shareholders at our AGM in April. This has been updated in our separate Climate Report, which also incorporates our TCFD disclosures.

We aim to halve emissions from LSEG operations by 2030, with an ambition to reach net zero by 2040. Our science-based targets align with 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.

To achieve our near-term targets by 2030 and to identify our path to net zero we are focusing on the following priority areas:



Our Climate Report can be found here

Targets		Progress to end 2022	
Carbon reduction Reducing our absolute Scope 1 & Scope 2 greenhouse gas (GHG) emissions	Reduction by 2030 -50%	55% reduction 	110% progress on target Target -50%
Carbon reduction Scope 3 greenhouse gas (GHG) in three categories – Fuel and energy-related activities, business travel and employee commuting	Reduction by 2030 -50%	63% reduction 	126% progress on target Target -50%
Supplier engagement Science-based target set and actively managed by suppliers	Suppliers responsible for 67% of our Scope 3 (goods and services) emissions to have science-based targets by 2026 67%	37% of suppliers 	54% progress on target Target 67%

Work streams

Climate risk

Net zero operations glidepaths

Places

Property and data centres, renewable energy, upstream leased assets

People

Homeworking and employee commuting

Travel

Air, rail and road

Procurement

Purchased goods and services

Neutralisation and removals

Reducing our impact continued

Our emissions

Compared to our 2019 baseline we have reduced our Scope 1 and Scope 2 emissions by 55%

-55%

Like many organisations our emissions reduced steeply during 2020 and 2021 due to the global pandemic as there was very limited office occupancy and business travel. However, we have made progress against our target through a series of actions as follows:

- We expanded our carbon accounting tool across the business to improve our emissions data related to our physical operations and business travel.
- We reorganised how we manage and lease property in our operations, and we ran further energy efficiency programmes with audits to evaluate their impacts. The combined effect is a reduction in natural gas related GHG emissions of 51%.
- We have worked with our landlords and energy providers to switch 15 sites to green tariffs for electricity sourced from renewable energy.

- In India we now operate a shuttle to reduce individual employee commuting trips and installed EV charging points.
- We expanded our efforts to encourage employees to consider their business travel more carefully, and we reduced emissions from business travel by 60% (since 2019).
- On supplier engagement, we improved the knowledge and capacity of our procurement teams in order to engage with suppliers around the world.
- In 2022, while homeworking emissions fell by 16% since 2021, employee commuting emissions increased by 194%. We are working to refine our data for these categories in 2023.

Reduction in natural gas GHG emissions

-51%

Reduction in business travel emissions since 2019

-60%

Reducing our impact continued

Overall performance	2022	2021	2020	2019	% change ⁷
Total Group Carbon Footprint (tCO ₂ e) ^{1,5}	718,706	571,885	640,693	657,008	+9%
per m ²	2.20	1.35	1.50	1.54	+43%
per headcount (HC)	30	24	27	27	+9%
per £m Total Income	93	80	90	96	-3%
Scope 1 ²	1,450	1,000	1,960	2,163	-33%
Scope 2 Market based ^{3,10}	4,167	3,138	6,492	10,189	-59%
Scope 2 Location based ¹⁰	69,833	106,566	111,644	143,206	-51%
Renewable Electricity (%) ⁶	100%	100%	98%	96%	+4%
Scope 3 ^{4,5}	713,089	567,747	634,175	646,569	+10%
1. Purchased Goods & Services	680,098	550,861	603,613	564,107	+21%
2. Fuel- and energy-related activities (FERA)	2,145	5,659	6,371	9,082	-76%
3. Waste	3,331	185	369	1,879	+77%
4. Water	89	80	1,166	1,282	-93%
5. Business travel ⁹	16,890	3,169	9,593	42,662	-60%
6. Employee commuting	5,601	1,907	4,745	27,422	-80%
7. Home working	4,854	5,805	8,236	55	+8,725%
8. Upstream leased assets	81	81	81	80	1%
Biogenic CO ₂ ⁶	70,702	Not calculated	Not calculated	Not calculated	
Exclusions (market-based) ⁸	None	767	1,933	1,914	
Exclusions (location-based) ⁸	None	1,886	4,264	4,829	

Notes

- Total Group carbon footprint and intensity metrics includes Scope 1, Scope 2 market-based, and all relevant and calculated Scope 3 categories. Within these totals we report both market-based Scope 2 and Scope 3 fuel- and energy-related-activities (FERA) emission factors. Group carbon footprint includes tenant consumption and excludes client-based workers.
- Scope 1 emissions: combustion of fuel and operation of facilities – includes natural gas, diesel, LPG, fugitive emissions and fleet vehicles.
- Scope 2 emissions: purchase of electricity and heat by the Group for its own use. Market-based emissions use supplier-based emission factors and energy attribute certificates for where 100% renewable supplier tariffs are not in place.
- Scope 3 includes emissions from purchased goods and services, fuel- and energy-related emissions, air travel, rail travel, taxis, car hire, hotels and ground transfers, waste, water, employee commuting (including home working) and upstream leased assets.
- DEFRA UK Government GHG Conversion Factors are used for all fuels, business travel, water, waste, upstream leased assets. US EPA factors are used for United States electricity and employee commute emissions. IEA country specific emissions factors are used to calculate emissions for all other electricity use. Defra IO factors have been adjusted to reflect reporting year consumer index pricing to estimate emissions related to purchased goods and services. LSEG not yet use Defra 2022 EEIO factors published in November 2022, as their use will require recalculation of base year emissions. US and UK National Travel Surveys have been used to inform our estimations for employee commuting. Emissions related to working from home have been based on EcoAct's 'Homeworking emissions whitepaper' (2020).
- Energy attribute certificates have been purchased to claim renewable electricity consumption for all sites where 100% renewable supplier tariffs are not in place. These certificates comply with the requirements of RE100 and have been sourced from an internationally recognised trader who is an IETA member and gold partner of CDP. Some of these certificates are associated with electricity generation from sustainable biomass. The combustion of biomass for electricity generation does result in emissions and these are reported within Scope 2 market-based values (for example, this is the reason for the increase in Scope 2 market-based emissions in the UK in 2022). The biogenic CO₂ emissions from these sources are reported in this table.
- % change is calculated between 2022 and 2019, the Group's target baseline year, and reflects more employees working from home than in 2019.
- Emissions from sites not included within the reporting boundary relate to the divestment of Borsa Italiana in 2021 and have been published for transparency.
- Business Travel includes emissions from fuel-and energy-related activities (well-to-tank) from Air and Rail operators, as well as the emissions from the transportation of employees for business-related activities.
- The market-based method is based on the GHG emissions emitted by the generator from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments purchased on their own. Location-based method is based on average energy generation emission factors for defined geographic locations, including local, subnational or national boundaries. (WRI and WBCSD, 2015. GHG Protocol Scope 2 Guidance).

Methodology and verification statement

We report all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. These sources fall within our consolidated statement. We do not have responsibility for any emission sources that are not included in our consolidated statement.

Our emissions are calculated according to an 'operational control' boundary using GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and UK Government Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019).

London Stock Exchange Group's Scope 1, 2 and 3 emissions disclosed here and in our Annual Report have been externally verified by Cameron-Cole against the requirements of the WRI/ WBCSD GHG Protocol, GHG Protocol Corporate Accounting and Reporting Standard (revised edition), GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard, GHG Protocol Corporate Value Chain (Scope 3) Standard. Conduct of the verification met the requirements of ISO 14064-3:2006(E).

Reducing our impact continued

TCFD Compliance Statement

In recognition that climate change is a critical global issue which has significant implications for our stakeholders, including our investors, customers, employees, suppliers and partners, we produced our first stand-alone Climate Report, which integrates our Climate-related Disclosures and our Climate Transition Plan. The report covers our climate ambitions, governance, scenario analysis, risk management and climate-related metrics.

We adopted this approach due to the technical nature of the content and believe that this is the most useful and transparent way to present our climate-related disclosures.

In accordance with the Listing Rule 9.8.6R, we disclose against the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) which helps us improve our understanding of the financial implications of climate-related risks and opportunities to our business for the year ended 31 December 2022. This information is disclosed in our stand-alone Climate Report which also presents an update on our Climate Transition Plan.



TCFD summary table can be found here



Our Climate Report can be found here

Ambition for LSEG to reach net zero

2040

PRIORITY 2

Enabling the growth of the green economy

Enabling the growth of the green economy is our second strategic priority and we are working towards this by providing market infrastructure, research, data and engagement with stakeholders, to promote and enable the development of greener, low-carbon industry in the economy.

In this section we share some of our key deliverables this year against this strategic priority.

In this section**Green finance**

More information can be found on page 19

Research and data

More information can be found on page 20

Engagement

More information can be found on page 21

Green finance

Green Economy Mark

In July we published the 2022 cohort of 108 companies and funds receiving the Green Economy Mark. This is provided to issuers where over 50% of their revenue is derived from products and services with environmental objectives. International issuers account for 64% of the total market capitalisation of Green Economy Mark companies and funds, highlighting the global appeal of the London Stock Exchange as a hub for sustainable finance. Throughout 2022, we saw a number of key deals in the cohort, including three initial public offerings.

Number of companies receiving the Green Economy Mark

108

Green and Sustainable Bond Market

Our dedicated Sustainable Bond Market (SBM) offers issuers a wide range of opportunities to raise sustainable capital and improve access, flexibility and transparency for investors. In 2022, 77 bonds were admitted to the SBM, including both new capital raised and existing green securities retrospectively applying for and being granted SBM accreditation, representing over £42 billion raised.

To date, more than 487 bonds have been admitted on the SBM, raising more than £176 billion, from 125 issuers in 37 countries and bonds in 22 currencies.

London's debt markets are enabling sovereign states to back their commitments to Paris Agreement targets with credible actions. Chile's sovereign sustainability-linked bond – a world first – is tied to its CO₂ emission targets; 60% of its electricity production is to be derived from renewable energy by 2032.

Green Sukuk

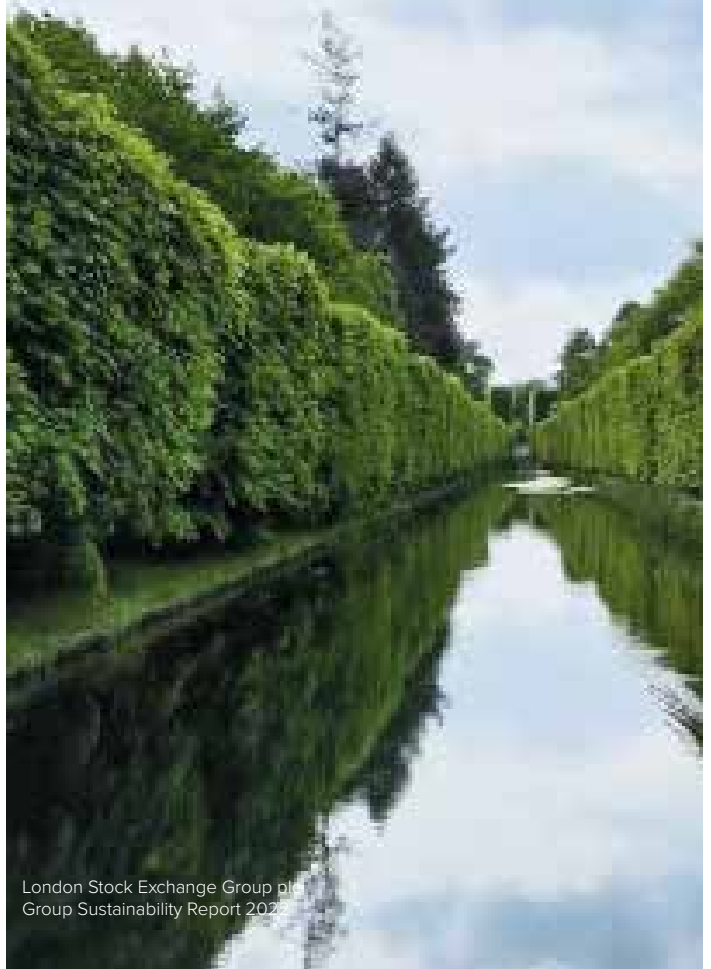
Closely resembling green bonds, Green Sukuk is a Shari'ah compliant financial instrument which provides a significant opportunity within Islamic finance to raise funds by sovereign nations, financial institutions and corporates for projects that have a positive climate impact. As a global centre for Islamic finance, there has been growing activity and appetite for Green Sukuk issuance in London's markets, with two Saudi Arabian institutions – Riyad Bank and Saudi National Bank – collectively raising \$1.5 billion through a sustainability-linked sukuk in 2022.

The world's first sovereign sustainability-linked bond

In March 2022, the Republic of Chile issued the world's first sovereign sustainability-linked bond, raising \$2 billion.

The 20-year bond's framework is grounded by Chile's commitment to the Paris Agreement, featuring both a carbon emissions and renewable energy KPI. More specifically, the bond is tied to the commitments that Chile emits no more than 95 metric tonnes of carbon dioxide equivalent annually by 2030 and that 60% of electricity production be derived from renewable energy by 2032.

Chile issued its first green bond on the London Stock Exchange in 2019 and has since raised over £21 billion equivalent on our Sustainable Bond Market.



Research and data

Green Revenues data

FTSE Russell has been researching and developing green industry taxonomies for more than a decade. Our Green Revenues 2.0 data model enables a better understanding of the green economy, classifying green products and services with environmental benefits, and assessing companies' revenue from them.

The data set is global and comprehensive. The data model is applied to nearly 99% of total global market capitalisation, capturing over 16,000 small, medium and large public companies across 48 developed and emerging markets. It covers a wide range of FTSE Russell's equity indexes, including the FTSE Global Equity Index Series and the Russell US Indexes.

The EU Taxonomy and FTSE Russell's Green Revenues Classification System are highly aligned and give investors a tool to identify companies involved in the green economy, and to quantify the share of their revenues that is likely to qualify under the EU Taxonomy.

Green economy report

Published by FTSE Russell in May, this report tracks the growth and performance in green equities. Channelling more capital towards low-carbon investment, meeting new regulatory requirements of green taxonomies and capturing green thematic investment opportunities requires better and more granular data on the green economy.

It discusses key trends and insights in the global green economy based on the FTSE Russell Green Revenue data – a unique source providing granular, bottom-up information on corporate revenues from green products and services. The research showed that the green economy has grown rapidly and represents a strong investment opportunity. In response to global environmental challenges, including climate change, the green economy recorded a compound annual growth rate of c.14% over the last 12 years. With a market capitalisation of over \$7 trillion and representing 7.1% of global equity markets, the green economy by itself would be the fifth largest industry, comparable in size to the fossil fuel sector.



[Click here for more information](#)

Sustainable investment research publications

Our sustainable investment research gives investors critical insight and intelligence. Examples of research reports produced in 2022 are:

	Anticipating the climate change risks for sovereign bonds (Part 3)		Canada Ex Fossil Fuels Bond Index Series
	Mind the gaps: Clarifying corporate carbon		Decarbonization in equity benchmarks: Smoke still rising, in partnership with the Net Zero Asset Owner Alliance
	Investing in the green economy 2022		Green equity exposure in a 1.5°C scenario: Applying climate investment trajectories with green revenues, in partnership with the IIGCC
	Navigating Social and Sustainability Bonds		Exploring Implied Temperature Rise (ITR) scores: Framing robust company-specific benchmarks and future company-level GHG emissions ranges
	The COP27 Net Zero Atlas		

Percentage of total global market capitalisation captured by our green revenue data models

99%

Engagement

UN Sustainable Stock Exchanges Initiative

LSEG has been a member of the UN Sustainable Stock Exchanges (SSE) initiative since 2014. The SSE Initiative is a UN Partnership Programme organised by UNCTAD, the UN Global Compact, UNEP FI and the Principles for Responsible Investment. The SSE's mission is to provide a global platform for exploring how exchanges, in collaboration with investors, companies (issuers), regulators, policymakers and relevant international organisations, can enhance performance on ESG issues and encourage sustainable investment, including the financing of the UN Sustainable Development Goals. The SSE seeks to achieve this mission through an integrated programme of conducting evidence-based policy analysis, facilitating a network and forum for multi-stakeholder consensus-building, and providing technical assistance and advisory services.

Green Technical Advisory Group

LSEG is a member of Green Technical Advisory Group (GTAG), which is the technical expert group advising the UK Government on the development of its green taxonomy. It advises on market, regulatory and scientific considerations for developing and implementing a UK taxonomy which facilitates more informed investment decisions. The taxonomy will be a common framework defining what investments can be classed as environmentally sustainable. This will help tackle potential greenwashing, improve understanding of environmental impact, help companies and investors make informed choices, support investment in sustainable projects and boost efforts to tackle climate change.

High-Level Working Group on Green Sukuk

LSEG is a founding member of High-Level Working Group (HLWG) on Green and Sustainability Sukuk with HM Treasury, the Islamic Development Bank, the Republic of Indonesia and the Global Ethical Finance Initiative to develop and promote green and sustainable sukuk through our markets and data, allowing governments, multilateral agencies and companies to access finance in a manner consistent with their faith and values. In 2022, the HLWG launched its first report, which finds that despite the increase in the issuance of green and sustainability sukuk, there is scope for greater capacity building across issuers, investors and professional services to scale the market to serve the Islamic world.

UK Green Finance Institute

LSEG is an active member of the Green Finance Institute. The purpose of the Institute is to bring together the UK's existing capabilities, create new business opportunities and communicate to the wider market what London's offer is in green finance and insurance.

LSEG and Mizuho to collaborate on the development of sustainability solutions.

LSEG and Mizuho Financial Group, one of Japan's leading global financial institutions, announced in 2022 an agreement to collaborate in providing sustainability solutions to the bank's corporate clients.

The agreement will enable Mizuho to strengthen its offering to customers by combining LSEG's expertise in innovative ESG and other sustainability solutions with Mizuho's extensive network and knowledge as a comprehensive financial group. In the first example of this collaboration, Mizuho will support customers on governance and human rights issues through services such as World-Check One and Due Diligence reports in response to Japan's Guidelines for Respecting Human Rights in Responsible Supply Chains, that the government released in September 2022. This will enable its customers to confirm whether or not their suppliers and other business partners have a history of negative human rights impacts, and to identify and assess the risk of human rights violations in their business activities. Doing so helps prevent and mitigate such risks.



PRIORITY 3

Creating inclusive economic opportunity



An inclusive economy enables people to participate in, and benefit from, economic activity, regardless of their gender, ethnicity, religion, social background, disability, or any other characteristic. We aim to empower economies, communities, and individuals by championing inclusion and creating opportunity in education, employment and enterprise. In this section we share some of our key deliverables this year against this strategic priority.

In this section**Inclusive culture**

More information can be found on page 23

Inclusive markets

More information can be found on page 27

Economic empowerment

More information can be found on page 28

Inclusive culture

Our culture

We are committed to embedding an inclusive culture. This means a respectful, attractive, engaging workplace which is efficient and hard-working. Our culture is built on three key pillars:

Connect

We work on ways to deliver the greatest value for our customers, bringing together data, products, people and partners in new and better ways, while ensuring no physical or intellectual 'silos'. We are a global organisation and work hard to create teams of people with the correct skills and values to work in partnership with customers and others.

Create opportunity

We work to ensure we all think differently, to foster curiosity and inquiry, and even to apply more disruptive approaches. We want to harness the legacy infrastructure, knowledge, and overall quality of our heritage while expanding our horizons and capturing great ideas from all quarters.

Deliver excellence

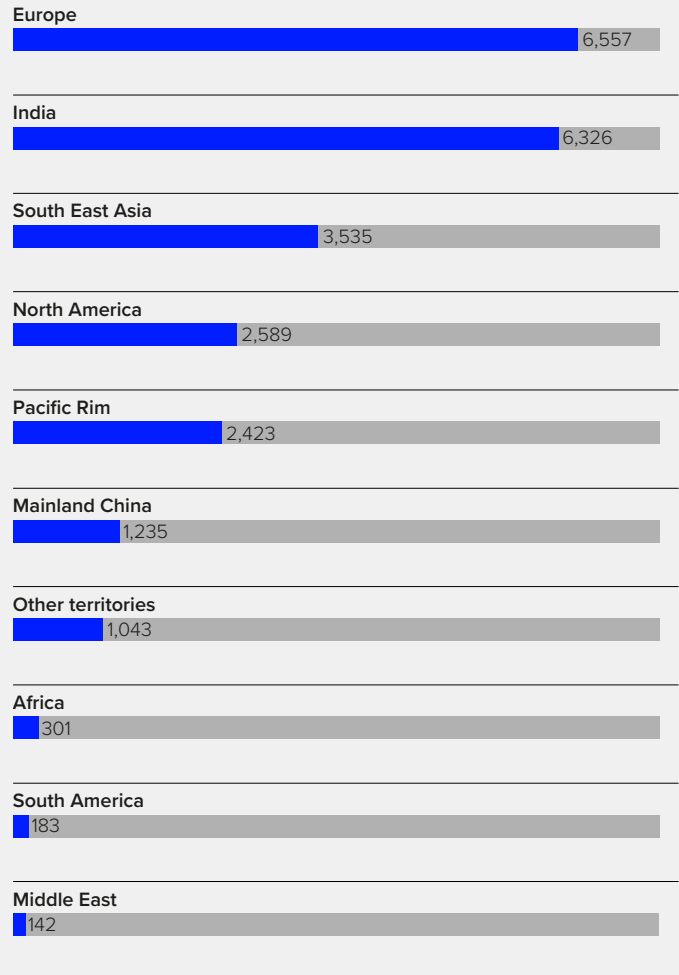
In the course of our daily business as usual, we work to the highest standards, we 'take ownership' of every aspect of our work, and we know that the financial sector depends on the integrity of our infrastructure and data. Excellence means delivering on our commitments and never compromising on stability and resilience.

Employee engagement

We listen to our people and carry out research on their views and sentiment at different stages of the employee experience. In 2022, we ran our Group-wide engagement survey called LSEG Engage to understand what's working well and what we can do better. The results are used to open up team conversations and drive improvement across the Group. In 2022, 86% of the organisation participated in LSEG Engage and we saw a two-point increase in engagement since the last survey. For the first time, we included questions specifically about sustainability to better understand employees' views.

Overall engagement remained stable throughout the year, reflecting our strong commitment to listening and creating an environment in which diverse perspectives are valued and where people feel they can share their views.

Our global workforce



Employee participation in LSEG Engage 2022

86%

Total workforce 2022

24,000+

Inclusive culture continued

Hybrid working

In 2022, we placed a significant focus on how we work. At LSEG, we have an office-based workplace with flexible arrangements for working almost anywhere (hybrid working). We recognise the benefits of working with employees in the office, at customer sites, and working from home. We want hybrid working to help us to connect and collaborate efficiently, making best use of time regardless of location or working pattern. We want to ensure our employees are valued and given opportunities to contribute, grow and develop, and help to deliver excellence through performance.

Wellbeing

Our goal is to create a healthy and resilient organisation. We want our employees to be motivated to perform at their best and contribute to organisational success. Our Employee Assistance Programme (EAP) runs 24/7 and offers counselling and practical information to support wellbeing. The EAP is available to employees, contractors and members of their household, and it is confidential and anonymous. In 2022, we relaunched our global Mental Health Awareness Champions initiative to help us improve mental health awareness and build confidence to support healthy behaviours in the workplace. We now have 180 Champions across the Group.

Our Employee Assistance Programme runs

24/7

Diversity and inclusion

Our purpose is to create sustainable growth for LSEG and our people. We are committed to creating a culture of openness and inclusion and building a workplace that embraces diversity of every kind. To underline our commitment, we have ensured that diversity and inclusion forms part of our Group Strategic Objectives (GSOs), and is directly linked to performance assessment and overall pay and reward.

We have four D&I priorities, and they are:

- 1. Create a culture that fosters belonging.**
- 2. Build a diverse leadership team.**
- 3. Accelerate progression of underrepresented talent.**
- 4. Shape inclusion in our industry.**

In 2022, there was a significant investment in the diversity & inclusion team, increasing from a global team of two, to a regional D&I model of ten within a wider Culture, Wellbeing & Inclusion team of 15 to help advance and support our employees with a global strategy complemented local priorities. We continue to drive our D&I progress and will share further updates in future reports.



Goal achieved for women in senior leadership roles 2022

40%

Goal set for ethnically diverse representation in senior leadership roles by 2023

20%

Inclusive culture continued

Inclusive leadership

At LSEG, we are committed to creating a culture of openness and inclusion and building a workplace that embraces diversity of every kind and want everyone at LSEG to have a deep sense of pride, connection and belonging regardless of role, language or geography. Our leaders act with intention, they role model the right behaviours and positively impact the way others conduct themselves at work to promote a culture of inclusion.

All Executive Committee members have completed Inclusive Leadership Programme training, with their direct reports, which included coaching with an expert external facilitator. The programme explored insider-outsider dynamics and demonstrated that even the smallest acts and decisions can help our employees feel more included, and it delved into how unconscious bias can shape organisational culture and why, as leaders, it's important that we align our intent with our impact.

It's critical that we hold ourselves and others accountable for advancing inclusionary change, to embed inclusionary goals and best practices into everything we do.

The ability to lead with inclusion and embed these behaviours is a critical capability and all leaders set this tone, however we are all responsible for driving a more inclusive organisation.

Gender and ethnicity goals

In 2021, we set a goal to reach 40% of women in senior leadership roles at ExCo and Group Leader level by the end of 2022 through both changing our hiring practices and building our career development programmes to proactively promote and recruit diverse talent. By the end of 2022 we had achieved our goal and we are in the process of setting out our new goals.

To ensure we continue to build our pipeline of talent, we have set a new goal of 40% female representation at Group Director level by the end of 2027.

We are signatories to the BITC Race at Work Charter and have set goals for underrepresented ethnic groups in leadership, aiming for 20% by the end of 2023 and 25% by the end of 2025. This year we set a new goal for our Director population to have a 25% ethnically diverse representation by the end of 2027. By the end of the year we had reached 15% representation from underrepresented ethnic groups in our leadership community.

Global Pay Equity Report

This year, we partnered with Mercer to conduct a comprehensive review into pay equity across LSEG. The methodology used helped us understand both the identifiable and unidentifiable pay gaps and determine where we need to focus to drive the most impact. While we can attribute our identifiable pay gaps to certain aspects, this does not mean we are not working to reduce them. By improving representation globally at all levels, geographies, and functions, we can begin to reduce identifiable gaps between the different genders and ethnicities – particularly in terms of job roles. Further information can be found in our separate Global Pay Equity Report.

Gender	2022					2021 (combined org)				
	Female	%	Male	%	Disclosure rate %	Female	%	Male	%	Disclosure rate %
LSEG plc Board	6	46	7	54	100	6	46	7	54	100
LSEG Subsidiary Boards	83	25	243	75	100	90	28	234	72	100
Senior Leadership (ExCo and Group Leaders) ¹	42	40	64	60	100	34	33	69	67	100
People Leaders (Line Managers)	1,388	35	2,568	65	100	1,024	33	2,046	67	100
All employees	10,513	43	13,783	57	100	9,920	43	13,341	57	100

Ethnicity ²	2022					2021 (combined org)				
	White	%	Under-represented ethnic groups	%	Disclosure rate %	White	%	Under-represented ethnic groups	%	Disclosure rate %
LSEG plc Board ^{3, 4}	11	85	2	15	100	–	–	–	–	–
Senior Leadership (ExCo and Group Leaders) ¹	77	85	14	15	90	76	84	14	16	90
People Leaders (Line Managers) (US and UK only)	1167	74	401	26	85	952	78	273	22	86
All employees (US and UK only)	3,908	67	1,933	33	86	4,197	69	1,859	31	84

1 Senior Leadership refers to members of Executive Committee (ExCo) and Group Leaders. The LSEG Subsidiary Board members and the members of the ExCo and Leadership Teams together comprise 'Senior Managers' for the purposes of section 414C(8)(c)(ii) of the Companies Act 2006.

2 Global ethnicity representation only includes employees based in countries where we collect race/ethnicity information. Representation percentages reflect the proportion of those who disclosed ethnicity information, per the disclosure rate.

3 New disclosure from 2022 onwards on ethnicity in Board representation aligning to the changes put forward by the Financial Conduct Authority (FCA) in 2022.

4 2021 data for Board ethnicity is not included as we have only begun to report this data from 2022 onwards.

Inclusive culture continued

Asian Affinity Network aims to increase leadership progression of employees with Asian heritage.



Providing an environment where black employees can develop and thrive in their careers.



Inclusion Networks

Our eight thriving LSEG Inclusion Networks are open to everyone, whether people identify with a community or are allies, and each Network has an Executive Committee sponsor. The LSEG Inclusion Networks play a role in helping us achieve our strategic objectives by building awareness, facilitating networking and peer support and providing us with a forum for feedback/input. They represent the voices of employees who are historically underrepresented in the corporate environment and in senior leadership. They are a powerful lever of belonging and critical partners for change, informing our D&I strategy.

Accessibility – The Accessibility Network aims to empower PWD (people with disabilities) employees to be their authentic selves and develop their full potential in a safe and inclusive workplace.

AAN – The Asian Affinity Network aims to be a catalyst in enabling LSEG’s cultural intent and leadership behaviours, by partnering with leadership to connect and create opportunities to increase leadership progression of employees with Asian heritage.

BEING – The Black Employees Inspired Networking Group (BEING) aims to provide an environment where black employees can develop and thrive in their careers, while also increasing representation at all levels of the organisation and promoting inclusion for all employees of the London Stock Exchange Group.

LEAD – The Latinos for Empowerment, Advancement and Development (LEAD) Network aims to increase representation and advancement of Latinos by nurturing the organisation’s cultural competence and advocating for behavioural change to create an inclusive environment.

MFN – The Multi-Faith Network aims to contribute towards building an inclusive LSEG culture where employees of all faiths, religions and those without belief can share, thrive and deliver their best work.

Pride – The Pride Network aims to create an inclusive workplace where all can bring their true self to work with special focus on representing the interests of LGBTQ+ employees.











ViSioN – The Veterans Support Network (ViSioN) aims to promote a greater understanding of the sacrifices and contributions made by veterans and their families, while giving employees the opportunity to learn about and support veterans’ values and experiences.

WIN – The Women Inspired Network (WIN) aims to drive for equality and inclusion in the workplace; supporting women to achieve their potential whilst recognising the need for allies to create a truly inclusive environment.

Inclusive markets

External recognition

LSEG was recognised in several external awards during 2022. These included:

	Large Brand of the Year Award at The Bank of London Rainbow Honours		Four employees awarded WeAreTheCity Rising Star Awards
	Company of the Year at the European Diversity Awards		Two employees recognised on the DIVA Power List and the PRIDE Power List
	LSEG achieved Gold status in the India Workplace Equality Index		Two employees recognised on the 2022 Powerlist
	Anna Manz as CFO of the Year at the Women in Finance Awards		One employee recognised as a Rising Star at the 2022 Women in Derivatives (WIND) Gala
	Six employees recognised on the HERoes Role Model Lists		Julia Hoggett, CEO, London Stock Exchange recognised as one of the Top 100 LGBTQ+ Executives on Outstanding Role Model List

* Awarded in 2022.

Valuable 500

LSEG is a member of the Valuable 500, which is a business initiative focused on system-wide change for disability inclusion. This is a global collective of 500 CEOs representing over 22 million employees, in 41 countries, across 64 industries. LSEG is one of 15 'iconic leaders' which are playing an active role in the initiative's work to overcome barriers to inclusion. Alongside Allianz, LSEG is leading the Inclusive Reporting workstream, which is defining the disability data and information which should be promoted to enhance corporate disclosure of disability inclusion in the workplace.



At LSEG we are enhancing our approach and disclosure on disability, and we will report on our progress in future reports.

We are also engaged in the Generation Valuable talent development programme, which launched in December 2022.

The first cohort of 75 were announced on International Day for Persons with Disabilities 2022.

Global employees represented by the Valuable 500

22m

Economic empowerment

The main channel through which we deliver on this area of our strategy is the LSEG Foundation. Our partnerships with charities create opportunities for those in need to participate in education, employment and enterprise.

The LSEG Foundation delivers its mission by focusing on three key strands of activity:

Strategic partners

The LSEG Foundation partners with a small number of organisations, selected to deliver economic empowerment programmes across the world, through multi-year strategic partnerships.

Regional partners

The LSEG Foundation provides grants to a wide range of regional and locally selected charities, tackling the issues that matter most in the communities where we operate. We encourage LSEG's employees to support the LSEG Foundation's work through matched fundraising and by using their two volunteer days to give their time and skills to our charity partners or other causes that matter most to them.

Sustainable finance

The LSEG Foundation funds a select number of non-commercial initiatives which unlock the power of finance to drive positive sustainability outcomes.

While the LSEG Foundation is not focused on disaster relief, it provides emergency funding when significant disasters occur in locations in which we have an employee presence. To ensure we do this transparently and equitably, we have developed a disaster relief decision-making process. During 2022, the LSEG Foundation donated in response to the invasion of Ukraine, Sri Lanka's economic crisis and flooding in Pakistan.

The LSEG Foundation strategic partners

In 2022, the LSEG Foundation launched four strategic, multi-year charity partnerships.

Room to Read

Aims to create a world free from illiteracy and gender inequality in education. It helps children in historically low-income communities develop literacy skills and supports girls as they build skills and stay in education. Our funding will develop financial literacy interventions at scale in Bengaluru, support girls through crisis in Sri Lanka and expand the charity's footprint in the Philippines.

Girls Who Code

Works to close the gender gap in technology and computer science by inspiring more girls to become computer scientists and engineers. Our three-year funding will accelerate free summer immersion programmes for students from across the world, enabling them to explore computer science in an education and employment context.

We will also be funding the charity's self-paced online computer science courses, which introduce students to web development and provide them with intermediate cyber security training.

Skills Builder

Aims to build the essential skills of individuals throughout their lives in education and employment. Our partnership will facilitate the expansion of its Global Accelerator Programme in more schools, further its partnerships with NGOs and create policy-level changes in countries across the world, including the UK, Lebanon, Malaysia, India, South Africa, US, Australia, Uganda and Kenya.

Women's World Banking

Works to expand the economic assets, participation and power of low-income women and their households by helping them access financial services, knowledge, and markets. Our funding will support its continued efforts to empower women entrepreneurs in India, Mexico and Nigeria.

Room to Read helps children in low-income communities develop literacy skills and supports girls as they build skills and stay in education.



Skills Builder aims to build the essential skills of individuals throughout their lives in education and employment.



Economic empowerment continued

The LSEG Foundation in numbers

The LSEG Foundation is governed by a dedicated trustee board with independent and employee trustees, leveraging LSEG's expertise, reach, resources and partnerships in financial markets to address critical challenges facing society.

The LSEG Foundation receives its funding through LSEG PLC donations and corporate or employee fundraising.

Charity grants

£3,724,537

Employee fundraising matching gifts

£344,808

Total donations

£4,069,345

Charity partners

92

Employee volunteer hours

24,872

To promote employee engagement and volunteering, LSEG has set up Community Action Teams in 60 locations.



Employees who volunteered their time in 2022

3,425



Stakeholder engagement

As a global financial markets infrastructure and data business, LSEG works across the marketplace with investors, issuer companies, policymakers, regulators, academics and other stakeholders to support global financial stability and sustainable economic growth.

Stakeholder engagement

Stakeholder engagement and collaboration is crucial in how we conduct our business, and we recognise that stakeholder concerns can only be truly addressed through effective stakeholder engagement. The Board views customers, regulators and employees as key stakeholders.



Information on our stakeholder engagement can be found in our Annual Report on page 68.

Sustainable Finance Policy

LSEG is committed to using its position at the heart of financial markets to contribute to the development of effective and proportionate sustainable finance and investment policy.

LSEG's structured engagement in policymaking and industry forums includes:

Initiatives and taskforces

LSEG is a member of various initiatives supporting the development of policy frameworks for sustainable finance and investment. In the UK, LSEG is a member of the Transition Plan

Taskforce, the Green Technical Advisory Group, the Climate Financial Risk Forum, and the Voluntary Carbon Markets Forum. We are also part of the Singapore Green Finance Industry Taskforce, the India-UK Sustainable Finance Working Group, and the Hong Kong Financial Services Agency ESG Focus Group. Internationally, we work with our peers in the financial sector to drive collaboration on sustainable finance and investment, including through the Financial Alliance for Net Zero, the Climate Data Steering Committee, and the United National Sustainable Stock Exchanges initiative.

Bilateral engagement

LSEG regularly engages with policymakers and regulators in key jurisdictions around the world, and with international standard-setting bodies such as the International Financial Reporting Council (IFRS) and the International Organization of Securities Commissions (IOSCO) to discuss policy and regulatory proposals related to sustainable finance policy.



LSEG

OPEN MAKES MORE POSSIBLE



Operating responsibly

In addition to our three strategic priorities, we are also committed to operating our business responsibly. We have a series of policies and standards applicable to LSEG's global operations to ensure we manage relevant environmental, social and governance issues effectively.

Operating responsibly

Business ethics

We are committed to the highest standards of integrity. The standards and behaviours expected of all LSEG employees, regardless of geography or discipline, are set out in the LSEG Code of Conduct. The Code is designed to shape the way employees collaborate and engage with other employees, customers and other stakeholders. Employees receive mandatory training on it each year. In 2022, 97.3%¹ of employees completed the training. The remaining employees were out of the business due to a combination of sickness leave, family leave, sabbatical and other types of leave.

Financial crime, bribery and corruption

LSEG is committed to supporting government, law enforcement and international bodies to combat the use of the financial services sector to facilitate financial crime. LSEG has a zero-tolerance approach to financial crime as it undermines the rule of law, democratic processes and the wellbeing and human rights of citizens, and distorts free trade and competition. Our Financial Crime Policy sets out requirements to minimise financial crime, which encompasses, but may not be limited to, money laundering, terrorist financing, breach of international trade sanctions, bribery and corruption, fraud and false accounting, insider trading, market abuse, theft or misuse of confidential information or other malpractice. LSEG also has a dedicated policy on anti-bribery and corruption which applies globally and is aligned with the UK Bribery Act and the US Foreign Corrupt Practices Act.

Health and safety

The Group continued its Covid response, which included completing site assessments for all properties in line with return to office process. We implemented a framework to support the transition from a crisis management approach to a long-term business as usual model. For our employees we introduced return to office training and inductions with the update and revision of emergency information. Additionally, we enhanced how we monitor statutory compliance globally through the development of global minimum standards.

The Group also enhanced its environmental, health and safety third-party management, which focused on alignment of IT systems, consolidation of vendors, process mapping and determining our requirements in addition to standardisation of KPIs and service monitoring.

We have also enhanced other policies and processes including emergency response planning. This has been done through the development of working groups to encourage collaboration and ensure consistency across the Group.

In 2022, there were five reported health and safety incidents, none of which resulted in a fatality. No enforcement action was brought as a result of the reported health and safety incidents.

Executive remuneration

The link between sustainability performance and executive pay is an important issue for shareholders. We reward high performance that leads to business sustainability, as well as linking incentives for executive directors to sustainability performance. Employee compensation is linked to the delivery of our Group Strategic Objectives, one of which commits LSEG to being a strategic enabler of sustainable growth.

Employees completed mandatory Code of Conduct training in 2022

97.3%



¹ The 97.3% applies to FTEs only. Overall figure is 87% across FTEs, contractors and contingent workers.

Operating responsibly continued

**Cyber security and data protection**

Information security is a significant risk to LSEG, its customers and business partners. Our Information Security Policy sets out the responsibilities of employees and the expectations for maintaining the security of customer and business information, as well as adhering to legal and regulatory requirements in the regions in which we operate. The policy seeks to manage risks to information assets against unauthorised access or modification and malicious or accidental disclosure and/or destruction, and to maintain their confidentiality, integrity and availability. We continue to make significant investments in cyber security and have a dedicated Cyber Security function led by our Chief Information Security Officer (CISO) which is focused on protecting and defending LSEG against cyber-attacks.

Our approach to cyber security aligns to industry frameworks such as the National Institute of Standards and Technology (NIST) and we will continue to invest and advance our cyber defence, detection and response and recovery capabilities. Our Group operates a three lines of defence framework and we have a dedicated Cyber Risk function within Group Risk providing independent oversight and challenge. Our Internal Audit function performs independent assurance on our cyber controls.

Sustainability Policy

Our Sustainability Policy sets out the requirements for LSEG to ensure it identifies, manages and improves its sustainability performance. The Policy is approved by the LSEG Board and is supported by several issue specific standards including community investment, human rights, environmental management, diversity and inclusion.

Tax strategy

LSEG recognises that payment of tax is an important contribution to well-functioning economies and societies. We believe in the obligation to pay our fair share of tax due in any country at the right time. We comply with all relevant laws and regulations related to the payment of tax and maintain appropriate systems, processes and controls to enable us to fulfil our tax obligations. The Group's underlying effective tax rate for the period in respect of continuing underlying operations and excluding the effect of prior year adjustments was 21.0% (2021: 20.7%).



LSEG's global tax strategy is available on our website

Whistleblowing

We are committed to providing an open environment where our employees, contractors and other third parties feel comfortable raising concerns about adherence to our Code of Conduct, relevant laws and regulations or if they consider something unethical or potentially harmful. Employees can raise concerns independently through LSEG's Speak-Up confidential 24-hour hotline or online. All concerns are treated in confidence and are fully investigated and where appropriate, actions will be taken to address any concerns raised and to improve the environment in which we work. The Group's whistleblowing policy provides a method of addressing concerns while at the same time offering whistleblowers statutory protection from demotion or the withholding of promotion, reduction of wages, discrimination, victimisation, harassment or unjustifiable disciplinary proceedings.

Operating responsibly continued

Supply chain management

LSEG operates with circa 5,000 companies from more than 87 countries supplying us. Our supply chain is integral to LSEG's success and we consider our vendors a source of competitive advantage.

We are a global business with operations in 65 countries, and nearly 87% of our third-party spend is concentrated in the United Kingdom and the United States, with many suppliers having their own supply chains.

Our supply chain is diverse in size and structure, from small or medium sized enterprises (SMEs), to publicly listed multinational corporations. We focus on developing long-term relationships and working collaboratively with the suppliers that are vital to the success of the business.

Third-party risk management

The use of third-party service providers is a key business enabler, but inevitably brings risk into the organisation. These risks must be identified and managed to minimise the impact on LSEG's operational delivery as well as our reputation. LSEG employs a standardised process that is designed to understand the risk of a third-party engagement before a contract is signed and which drives appropriate due diligence assessments relating to both financial and non-financial risks, including sustainability risk-types. There is also a focus on third-party resilience to ensure we are able to provide continuity of services to customers. Regular reassessments are performed throughout the life of third-party engagements through various ongoing monitoring capabilities.

Prompt Payment Code UK

Prompt payment is critical to the cash flow of every business, and especially to smaller businesses within the supply chain as cash flow issues are a major contributor to business failure. LSEG is a signatory to the Prompt Payment Code in the UK, a voluntary code of practice for businesses, administered by the Office of the Small Business Commissioner (SBC) on behalf of BEIS. It sets standards for payment practices between organisations of any size and their suppliers. We aim to pay our suppliers within clearly defined terms, and to help ensure there is a proper process for dealing with any issues that may arise.

Climate change and our supply chain

As part of our ambition to be net zero by 2040, we are aiming to reduce our Scope 3 emissions, which come from our purchased goods and services. That starts with aligning our suppliers with the goals of the Paris Agreement. We are adopting a staged approach to achieving this ambition, working with key suppliers to establish and disclose greenhouse gas (GHG) emissions and help to set science-based emission reduction targets. We will work with all our suppliers to integrate environmental considerations and commitments into their operations. This includes engaging with suppliers responsible for 67% of our Scope 3 (purchased goods and services) emissions to set science-based targets to reduce their own emissions by 2026.

Diversity and inclusion in our supply chain

In 2022, we focused on strengthening reporting for our supply chain diversity in the US in line with legal requirements seeking to ensure, to the maximum extent possible, the fair inclusion and utilisation of minority-owned and women-owned vendors. We extended the reporting to include all the LSEG businesses operating in the US. We also published a diversity and inclusion statement in which we reflect key terms within our Supplier Code of Conduct to ensure our supply chain complies to the same standard as LSEG with respect to D&I.

Modern slavery in our supply chain

We understand that the nature of our business means we may be exposed to modern slavery risks across our operations, and supply chain. LSEG does not tolerate modern slavery, human trafficking or forced labour. We are committed to trying to identify and seeking to address these risks across our value chain and implementing and promoting practices which combat modern slavery in all its forms. LSEG completes a risk assessment (segmentation) on all new suppliers prior to onboarding, as required by LSEG's Group Procurement Policy. We have a Supplier Code of Conduct, which we expect all of our suppliers to adopt and adhere to at all times.

Human rights

We recognise our duty to respect human rights within our workforce supply chain, and by reducing financial crime, bribery and corruption. We have a number of policies which directly or indirectly seek to respect human rights and are aligned with international human rights standards and principles. These include our Employee Code of Conduct, Supplier Code of Conduct and our financial crime policies. We monitor all current and emerging human rights-related regulation and as a UK-headquartered business are committed to adhere to the UK Modern Slavery Act 2015.



For more information, see our Modern Slavery Act statement.

Suppliers responsible for 67% of our Scope 3 emissions (purchased goods and services) to set science-based targets by 2026

67%



Sustainability governance

We have established a robust sustainability governance framework both at the Board and Executive level. This is summarised here, and further detail can be found in the Governance section of our Annual Report.

Sustainability governance

Group	Responsibility	Chair	Number of times sustainability covered in 2022
LSEG Board	Oversight of LSEG's sustainability ambition, strategy and performance.	Group Chairman, Don Robert	3
Board Risk Committee	Oversight of LSEG's approach to identifying and managing sustainability and climate-related risks.	Non-Executive Director, Professor Kathleen DeRose	1
Board Audit Committee	Oversight of LSEG's approach to regulatory requirements related to sustainability disclosures.	Non-Executive Director, Dominic Blakemore	1
Board Remuneration Committee	Oversight of LSEG's approach to linking executive compensation to sustainability.	Senior Independent Director and Chair of the Remuneration Committee, Cressida Hogg CBE	4
Executive Committee	Setting the Group's sustainability ambition and strategy, monitoring progress and approving sustainability reporting.	Group Chief Executive	2
Executive Risk Committee	This is an ExCo sub-committee which is responsible for the consideration and oversight of risk matters including risk culture, risk profile oversight, risk policy oversight, risk appetite and risk disclosure and reporting.	Group Chief Risk Officer	1
Sustainability Committee	<p>The Sustainability Committee reports to the Executive Committee on progress, and meets quarterly as a minimum. Six members of the Sustainability Committee are also members of the LSEG Executive Committee.</p> <p>The Sustainability Committee is responsible for:</p> <ul style="list-style-type: none"> — Providing strategic direction on the Group's sustainability ambition and the strategy. — Approving sustainability KPIs and targets and monitoring progress against strategy. — Shaping and overseeing sustainability reporting. 	Chief Corporate Affairs and Marketing Officer	5
Sustainability Working Group	This group comprises senior sustainability subject matter experts from across LSEG and is responsible for shaping and delivering the Group sustainability strategy and supporting the Sustainability Committee.	Group Head of Sustainability	12
LSEG Foundation Trustee Board	This Board oversees the work of the LSEG Foundation, which is a charitable incorporated organisation (CIO) registered and regulated by the Charities Commission for England and Wales. It is chaired by LSEG's Chief Corporate Affairs & Marketing Officer and comprises independent trustees and trustees who are LSEG employees.	Chief Corporate Affairs and Marketing Officer	8



Additional disclosures

In this section

Social data



More information can be found on page 39

Environmental data



More information can be found on page 41

Greenhouse gas emissions reduction targets disclosure



Click here for our data tables

GRI Index



Click here for our data tables

Sustainability Accounting Standards Board (SASB)



Click here for our data tables

World Federation of Exchanges (WFE) principles



Click here for our data tables

UN SSE: Communication to stakeholders



Click here for our data tables

UN Global Compact: The Ten Principles



Click here for our data tables

World Economic Forum Stakeholder Capitalism Metrics



Click here for our data tables

Task Force on Climate-related Financial Disclosures (TCFD) summary table



Click here for our data tables



Social data

Employment by region

Note 1: All headcount numbers are effective 31/12/2022 for the employee population excluding contingent workers, agency workers, NED and pension trustees.

Note 2: Includes countries with a headcount>100, all other countries % compiled under Other.

Contract type

Time type	Headcount	%
Full time	24,111	99.08%
Part time	223	0.92%
Total	24,334	100.00%

Note 1: All headcount numbers are effective 31/12/2022 for the employee population excluding contingent workers, agency workers, NED and pension trustees.

Other social metrics

Number of health and safety incidents	5
Employees covered by collective bargaining agreements	11%
Employee voluntary turnover	17%



Social data continued

Gender diversity by country

	Female %	Male %
India	41.95%	58.05%
United Kingdom	34.86%	65.14%
United States of America	33.77%	66.23%
Philippines	54.64%	45.36%
Sri Lanka	36.78%	63.22%
Mainland China	67.85%	32.15%
Poland	57.57%	42.43%
Thailand	38.88%	61.12%
Romania	37.94%	62.06%
France	33.58%	66.42%
Singapore	44.25%	55.75%
South Africa	74.33%	25.67%
Japan	50.00%	50.00%
Malaysia	66.54%	33.46%
Hong Kong	51.42%	48.58%
Costa Rica	42.86%	57.14%
United Arab Emirates	33.80%	66.20%
Australia	35.82%	64.18%
Taiwan	55.04%	44.96%
Canada	26.32%	73.68%
Germany	34.51%	65.49%
Other	42.59%	57.41%

Note 1: All headcount numbers are effective 31/12/2022 for the employee population excluding contingent workers, agency workers, NED and pension trustees.

Note 2: Includes countries with a headcount>100, all other countries % compiled under Other.

Gender diversity by organisation level

	Female	%	Male	%
LSEG plc Board	6	46%	7	54%
LSEG Subsidiary Boards	83	25%	243	75%
Senior Leadership (ExCo and Group Leaders)	42	40%	64	60%
People Leaders (Line Managers)	1,388	35%	2,568	65%
All employees	10,513	43%	13,783	57%

Note 1: Senior Leadership refers to members of the Executive Committee (ExCo) and Group Leaders.

Note 2: The LSEG Subsidiary Board members and the members of the Executive Committee and Leadership Teams together comprise the 'Senior Managers' for the purposes of section 414C(8)(c)(ii) of the Companies Act 2006.

Employees by age group

Age group	Headcount	%
Under 30	7,653	31.54%
30-50	13,777	56.62%
Over 50	2,881	11.84%
Total	24,331	100.00%

Note 1: All headcount numbers are effective 31/12/2022 for the employee population excluding contingent workers, agency workers, NED and pension trustees.

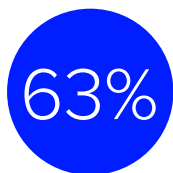
Note 2: Employees' age as at 31 December 2022. Excludes employees with no age data.

Environmental data

Progress against Science-Based Targets (SBT)



Progress in 2022



Progress in 2022



Progress in 2022

- Absolute Scope 1 & Scope 2 greenhouse gas (GHG) emissions
- Absolute Scope 3 greenhouse gas (GHG) in three categories – Fuel- and Energy-Related Activities, Business Travel and Employee Commuting
- Supplier engagement – Science-Based GHG emission reduction targets set and actively managed by suppliers

Regional breakdown

Overall performance	2022	2021	2020	2019	% change ⁴
Total Group Carbon Footprint (tCO₂e)¹²	718,706	571,885	640,693	657,008	+9%
Per headcount (HC)¹	30	24	27	27	+9%
Per £m Total Income	93	80	90	96	-3%
Scope 3 Other ³ (Purchase, goods and services)	707,523	561,057	622,402	630,500	+12%
UK					
Total tCO ₂ e ³	1,603	1,869	3,108	4,404	-64%
Per HC	0.36	0.41	0.68	1.02	-64%
Electricity (kWh)	52,656,194	50,510,465	75,754,157	112,039,072	-53%
Natural Gas (kWh)	3,452,738	3,712,339	4,402,757	6,440,175	-46%
Diesel (litres)	32,391	16,824	37,294	44,950	-28%
Fugitives (kg)	70	155	191	87	-19%
Waste (tonnes)	404	212	283	1,792	-77%
Water (m ³)	131,361	52,931	379,615	408,594	-68%
EMEA					
Total tCO ₂ e ³	826	860	1,184	1,911	-57%
Per HC	0.25	0.27	0.31	0.48	-48%
Electricity (kWh)	5,219,800	9,131,424	10,710,047	38,541,457	-86%
Natural Gas (kWh)	426,111	3,221,374	3,366,544	4,340,881	-90%
Diesel (litres)	100	100	100	0	
Waste (tonnes)	310	273	215	1,232	-75%
Water (m ³)	39,667	18,133	82,687	95,051	-58%
Americas					
Total tCO ₂ e ³	4,936	5,240	5,820	12,292	-60%
Per HC	1.63	1.48	1.47	2.83	-42%
Electricity (kWh) ⁵	67,141,358	145,126,178	120,728,025	149,735,972	-55%
Natural Gas (kWh)	5,406,865	10,246,078	9,000,819	8,234,858	-34%
Diesel (litres)	57,913	38,275	116,235	52,717	+10%
Waste (tonnes)	439	369	272	1,828	-76%
Water (m ³)	155,616	62,971	256,422	280,583	-45%
APAC					
Total tCO ₂ e ³	3,816	2,092	6,246	5,989	-36%
Per HC	0.28	0.16	0.54	0.51	-45%
Electricity (kWh)	27,716,375	36,246,691	43,484,215	44,056,250	-37%
Natural Gas (kWh)	135,700	1,875,264	3,143,550	3,020,116	-96%
LPG (tonnes)	3	0	2	10	-71%
Diesel (litres)	168,055	100,618	270,367	89,737	+87%
Waste (tonnes)	792	224	784	3,595	-78%
Water (m ³)	106,309	54,184	385,753	426,506	-75%

1 Total Group carbon footprint and intensity metrics includes Scope 1, Scope 2 market-based, and all relevant and calculated Scope 3 categories. Within these totals we report both market-based Scope 2 and Scope 3 fuel- and energy-related-activities (FERA) emission factors. Group carbon footprint includes tenant consumption and excludes client-based workers.

2 DEFRA UK Government GHG Conversion Factors are used for all fuels, business travel, water, waste, upstream leased assets. US EPA factors are used for United States electricity and employee commute emissions. IEA country specific emissions factors are used to calculate emissions for all other electricity use. Defra IO factors have been adjusted to reflect reporting year consumer index pricing to estimate emissions related to purchased goods and services. LSEG not yet use Defra 2022 EEIO factors published in November 2022, as their use will require recalculation of base year emissions. US and UK National Travel Surveys have been used to inform our estimations for employee commuting. Emissions related to working from home have been based on EcoAct's 'Homeworking emissions whitepaper' (2020).

3 Total tCO₂e by region includes Scope 1, Scope 2 and Scope 3 water, waste and fuel- and energy-related activities emissions. The remaining emissions are summarised by 'Scope 3 Other' which includes Scope 3 emissions from purchased goods & services, business travel, employee commuting, homeworking and upstream leased assets.

4 % change is calculated between 2022 and 2019, the Group's target baseline year.

5 Corrections have been made for 2021 and 2020 Americas energy consumption, as these were incorrectly reported in 2021.

For more information
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www.lseg.com or email
sustainability@lseg.com

