

# Group Corporate Sustainability Policy

February 2019



**London**  
Stock Exchange Group



---

## Contents

---

<b>Contents</b>	<b>3</b>
<b>1.0 Introduction</b>	<b>4</b>
<b>2.0 Objectives</b>	<b>4</b>
<b>3.0 Scope and application</b>	<b>4</b>
<b>4.0 Corporate Sustainability risks</b>	<b>4</b>
<b>5.0 Strategic Corporate Sustainability approach</b>	<b>4</b>
<b>6.0 Fundamental Corporate Sustainability commitments</b>	<b>7</b>
<b>7.0 Related policies</b>	<b>8</b>
<b>8.0 Accountability, delegation of authority and ownership</b>	<b>9</b>

---

## **1.0 Introduction**

This document sets out the Group's policy on corporate sustainability. London Stock Exchange Group plc (LSEG) recognises the important role it plays in sustainable global economic growth. This role encapsulates not only LSEG's commercial and performance objectives but also its environmental, social and governance (ESG) responsibilities and how the organisation conducts itself in a way that is consistent with long-term value creation.

---

## **2.0 Objectives**

The purpose of this paper is to set out the scope and objectives as well as the responsibilities of all affected individuals in relation to LSEG corporate sustainability aligned with our overarching business strategy and governance principles. This will ensure the long-term viability of our Group and fulfilment of our responsibility towards our shareholders and wider stakeholders (see the Group Code of Conduct for a list of stakeholders).

---

## **3.0 Scope and application**

This policy is Group-wide and applies to all Board members, ExCo members, employees (staff, contract and temporary), and all Group's subsidiaries, regardless of the country of incorporation and whether or not wholly-owned.

These provisions also apply to any joint ventures and partnerships to which any entity of the Group is a party.

---

## **4.0 Corporate Sustainability risks**

The risks relevant to and mitigated by this policy are non-financial or sustainability risks, both strategic and operational, as covered by our Risk Management Framework. LSEG will seek to review the sustainability risks it monitors and mitigates to ensure that they remain relevant to and consistent with the long-term viability and resilience of our business operations, and our product and service offering. This review will include environmental, social and governance considerations, in order to comply with the Group's strategic risk objective of 'maintaining stakeholder confidence'.

---

## **5.0 Strategic Corporate Sustainability approach**

### **5.1 Corporate Sustainability strategic aims**

LSEG plays an essential role in sustainable global economic growth and our stakeholders therefore expect us to run our business responsibly. Our Group corporate sustainability strategy defines the behaviour and activities which are required to fulfil this expectation, and to manage the Group's sustainability risks as set out in our Risk Management Framework.

Core to the success of our corporate sustainability strategy is its alignment with our overarching business strategy and governance principles. This will ensure the long-term viability of our company and fulfilment of our responsibility towards our shareholders and wider stakeholders.

Our corporate sustainability strategy is based on four pillars:

1. **Our Markets:** “We develop markets that can sustain the long-term prosperity of the economies we serve”
2. **Our Services.** “We aim to help investors, traders and market intermediaries make informed and sustainable investment decisions and to execute them efficiently, safely and cost effectively”
3. **Our People:** “We develop our employees’ talent, commitment and critical thinking for our long-term success”
4. **Our Communities:**” We turn our market presence into opportunities for all those we connect with and carefully manage our impact on the communities in which we operate”.

We will develop a voice as a leading global practitioner and advocate of Corporate Sustainability and communicate effectively with stakeholders to show our approach is focused appropriately on areas of most relevance and where our contribution can be greatest, thus contributing to the creation of a culture of sustainability within LSEG and our industry.

## 5.2 Our strategic commitments

### Our Markets

Our Corporate Sustainability strategy related to our role as a provider of vital capital market infrastructure focuses on three main areas that we deem relevant for our business, our role at the centre of financial markets, and our stakeholders:

- **Efficiency, governance, transparency and neutrality**

We build trusted markets, that can be relied upon by our customers and understood by all investors, however small and wherever based.

- **Promoting future-oriented asset classes**

We value capital formation through asset classes that promote the wellbeing of future generations or those in need now.

- **Helping small businesses grow**

We undertake ‘patient’ promotion and education initiatives, that help bridge the gap between small enterprises and access to vital financial capital.

### Our services

Our services aim to help investors, traders and market intermediaries to make informed and sustainable investment decisions and to execute them efficiently, safely and cost effectively.

We will do this by:

- **Enhancing transparency, cost effectiveness and risk management**

We will be a champion for transparency. Our services will enable cost and capital efficiency and will promote risk-based approaches which underpin market integrity and confidence in financial services.

- **Enabling sustainable investment**

We will enable market participants to integrate sustainability and transition to a low carbon economy, by developing global standards and measuring corporate performance.

- **Sharing knowledge and expertise**

Our aim is to support professional and financial advancement globally, through learning and development. This includes partnering with international schools and universities, providing capital markets education, and supporting the enhancement of exchanges and capital markets, particularly in emerging and frontier markets

## Our people

We rely on the critical skills and energy of our staff to bring our corporate values of Integrity, Partnership, Innovation and Excellence to bear on the development and the delivery of our strategy.

To build a sustainable organisation and mitigate people-related risks, we focus our human capital development strategy on three main areas:

- **Long-term high performance**

We develop a diverse workforce that works in an inclusive environment, where the focus is on enabling everyone to realise their full potential.

- **Ethical behaviour**

We embed our values into the way we manage our business, to ensure our decisions comply with the highest standards, as set out in our Group-wide Code of Conduct.

- **Engagement**

We involve our staff in developing our business, creating opportunities for feedback at all organisational levels and leading to a widespread sense of ownership.

## Our communities

As our global presence grows, we continue to engage with the increasing number of communities where we operate, aiming to make a positive impact on them from a business, social and environmental perspective, while seeking the support of our shareholders.

Our community involvement is therefore based on the following three focus areas:

- **Philanthropy with impact**

We align our charitable activities to our corporate values, supporting programmes that make a direct, positive and measurable impact on the communities most relevant to our business

- **Shareholder engagement**

We unlock the value of our sustainability leadership for our shareholders

- **Environmental management**

We address our environmental impact wherever we operate, thinking of current and future generations and making sustainable savings for the business

### 5.3 Strategic Corporate Sustainability governance

1. The Group policy is a matter reserved for LSEG Board of Directors, which also endorses the Group Corporate Sustainability strategy and receives regular updates on progress against the sustainability objectives, including the annual Corporate sustainability report.
2. Within LSEG Board of Directors, the Group CEO is responsible for Corporate Sustainability policy compliance.
3. The Executive Committee provides guidance and has oversight of the overall sustainability programme.
4. To develop and achieve the Group sustainability objectives and targets, the Group CEO establishes a Group Corporate Sustainability Committee, appointing its Chair, and appoints the Group strategic Corporate Sustainability pillar leads. The Group Sustainability Committee's terms of reference are approved by the Executive Committee.
5. Every strategic Corporate Sustainability pillar lead establishes dedicated cross-Group, multifunctional working groups, which are integral to the governance of the overall sustainability programme.
6. The Group has established London Stock Exchange Group Foundation as a corporate charitable trust. The Foundation looks to make investments in the communities relevant to the Group's business and is intended to provide a single channel and point of focus for the Group's charitable giving. LSEG Foundation is run by its Board of Trustees. Its terms of reference are approved by the Group Executive Committee.

---

## **6.0 Fundamental Corporate Sustainability commitments**

### **6.1 Introduction**

This section sets out the Group's fundamental corporate sustainability commitments, which embed environmental, social and governance considerations into our business operations, where not already covered by specific Group policies (see "Related policies" section).

### **6.2 Environmental policy and governance**

The Group's major environmental impacts are energy and water usage, consumption of materials such as paper, waste production and transport emissions. These areas have informed the scope of the sustainability environmental focus.

In addition to complying with all environmental, legislative and regulatory requirements applicable to its business, the Group aims to:

1. Increase efficiency and reduce consumption across our business including energy and water usage, paper usage and waste reduction, as well as manage our operations to prevent pollution;
2. Raise awareness amongst the Group's staff of environmental issues and empower them to act, both at work and in their local communities to identify and reduce their impact on the environment and pursue a healthy lifestyle;
3. Engage with key strategic suppliers to discuss the environmental impact of their operations, with a view to working in partnership to reduce consumption, emissions and waste in the supply chain;
4. Ensure that environmental considerations are incorporated in our purchasing policy and procurement decisions wherever reasonably practicable;
5. Engage with clients, suppliers and community partners to promote environmental best practice;
6. Calculate the Group's carbon footprint on an annual basis and publish that calculation on the Group website and in the Corporate Sustainability report;
7. Publish targets for the continuous improvement of our environmental performance and report progress against those targets periodically;
8. Seek to reduce unnecessary travel and encourage the use of alternative means of communication where applicable.

To develop environmental targets and implement the systems and controls necessary to achieve them, the Group has established the Environmental Management Group, led by the Group Head of Property.

LSEG overall environmental performance is overseen by the ExCo member who leads the relevant strategic Corporate Sustainability pillar and by a member of LSEG Board.

### **6.3 Human Rights**

The Group prides itself on its high standards of social responsibility. To that effect, we respect and seek to adhere to the UN Guiding Principles on Business and Human Rights, together with the International Labour Organization Conventions and Recommendations within its working environment in each location where it operates. The Group strongly supports these conventions which aim to abolish forced labour and child labour and promote freedom of association and equality. Human rights considerations are also included in our Supplier Code of Conduct and Group Code of Conduct.

## 6.4 Anti-slavery commitment

Moreover, the Group has a zero-tolerance approach to modern slavery. We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.

---

## 7.0 Related policies

A list of policies that embed our Corporate Sustainability commitments and approach into our business operations is provided below:

Theme	Policy	Policy summary
Governance	Group Code of Conduct*	This Code outlines the ethical principles governing all activities across London Stock Exchange Group. The policy is not intended to be a comprehensive description of all factors that may impact behaviour rather provides a framework to operate within.
Governance	Anti Bribery and Corruption	This document sets out the Group's policy on bribery and corruption. The giving and receiving of bribes by any supplier, business partner, employee, agent or other individual acting on behalf of the Group is strictly prohibited. Violation of anti-bribery laws could lead to corporate liability and could also trigger criminal sanctions for the individuals concerned.
Governance	Financial Crime	The policy outlines the approach and arrangements that LSEG has in place to prevent the occurrence, facilitation or furthering of financial crime. It also sets out LSEG's approach to compliance with applicable legislation, regulation and guidance.
Governance	Business Continuity Management	LSEG is committed to minimising the impact to markets, customers and other stakeholders arising from any event which causes disruption. To achieve this LSEG has established Business Continuity Management (BCM) as an integral part of the firm's business operations.
Governance	Enterprise Wide Risk Management Framework	This policy outlines the LSEG's Enterprise-wide Risk Management Framework, which is designed to assist in the identification and assessment of risks facing the Group in order that they can be managed in an efficient manner and that informed decisions can be taken to manage threats and exploit opportunities.
Governance	Competition Compliance	This competition compliance manual provides an overview of the main rules of competition law applicable to London Stock Exchange Group plc and all of the companies that form part of the group and sets out the procedures and guidelines that must be followed when dealing with matters to which competition law may apply.
Governance	Conflicts of interest	The policy outlines the Group's approach to ensuring that potential Conflicts of Interest are identified, effectively managed and prevented from materialising so as to avoid reputational, regulatory or financial impact to the Group.

<b>Theme</b>	<b>Policy</b>	<b>Policy summary</b>
Governance	Tax governance	This policy outlines LSEG’s attitude towards tax risks and the processes to mitigate and monitor such risks.
Governance	Whistleblowing	These policy outlines the whistleblowing arrangements in place to report any concerns regarding malpractice or misconduct within LSEG. LSEG encourages its staff to speak up should they witness improper, illegal or negligent behaviour by anyone in the workplace.
Governance	Brand	LSEG has a portfolio of leading international brands and it is vital that the value encapsulated in those brands is protected. Our portfolio of world-class brands represents our business and our values.
Social	Health & Safety	London Stock Exchange Group PLC (“LSEG” or “the Group”) is committed to high standards of health and safety management. The responsibility for establishing and maintaining policies on health, safety and environmental matters lies with LSEG Board.
Social	Equal opportunities	It is our policy not to discriminate against colleagues on the basis of their sex, sexual orientation, marital or civil partnership status, gender reassignment, race (including but not limited to colour, nationality, and ethnic or national origin), religion or belief, disability, age, pregnancy, maternity or trade union membership or the fact that they are a part-time worker or a fixed term employee.
Social	Diversity policy*	Our recruitment practices have long included a commitment to recruit and promote employees on the basis of their suitability for the job without discrimination on any grounds. We offer flexible training and development programmes to assist all our employees achieve their potential, taking account of their diverse development needs. In addition, we regularly review our reward practices for race and gender bias.
Social/ Environment	Supplier Code of Conduct*	We have a responsibility to ensure that the third parties we choose to do business with, and the manner in which they do business, are a positive reflection on both our brand and corporate values.

\* publicly available

## **8.0 Accountability, delegation of authority and ownership**

- This policy is approved by LSEG Board of Directors.
- The Group CEO sponsors this policy
- The owner of this policy is the Chair of the Group Corporate Sustainability Committee.
- In respect of specific risks arising from breaches to this policy, ExCo shall ensure that this policy is properly applied across the Group.
- The Chair of the Group Corporate Sustainability Committee is responsible for oversight, implementation and assurance of this policy, in conjunction with the Group Corporate Sustainability Committee.