

Supporting sustainable growth

Why Corporate Sustainability matters

LSEG believes that good Corporate Sustainability (CS) practices are fundamental to our continued success and delivery of enhanced business performance. We aim to support financial stability and sustainable economic growth by enabling businesses and economies to fund innovation, manage risk and create jobs. This corporate purpose encapsulates not only commercial and performance objectives but also Environmental, Social and Governance (ESG) responsibilities. Accordingly, we set our CS strategy in line with our wider business strategy.

To develop and achieve the Group CS objectives and targets, we established a Group CS Committee in 2011.

£4 trillion

Size of investment opportunity from transition to green economy

(Source: FTSE Russell Investing in the global green economy report 2018)

Sustainability Governance

Our approach to Corporate Sustainability is overseen by the LSEG Board. The CEO is responsible for sustainability matters, while the Group CFO, who is a Board member, has responsibility for the environmental policy. In 2019, the Board met four times to discuss ESG matters.

Our sustainability strategy is driven by the Group CS Committee, on which Executive Committee members sit. Delivery of the sustainability programme is carried out by the Sustainable Business team, reporting to the heads of Investor Relations and Government Relations and Regulatory Strategy.

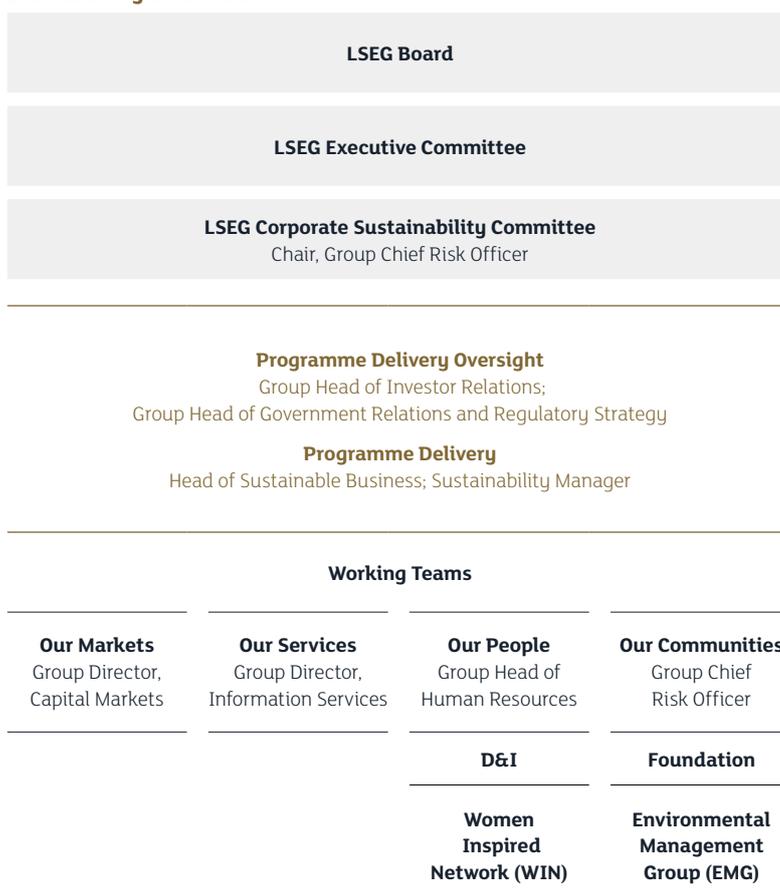
Each pillar lead has established working teams drawn from across the Group, two of which also have oversight of related CS initiatives, shown in the diagram to the right, such as the Diversity and Inclusion (D&I) committee which feeds into the 'Our People' working team.

Risks

We continue to assess the materiality of ESG and related risks to LSEG and to increase our focus on embedding these risks into our Enterprise Risk Management Framework. While we recognise the importance of Environment, Human Rights and Anti-bribery and corruption (ABC) risks, these are not currently considered principal risks for the Group. Some climate-related risks have been categorised as emerging risks and it is acknowledged that they are inherently linked to other strategic, financial and operational risks. Additionally, some social matters are still identified under the Employees principal risks for the Group in the Principal Risks section of the report.

In 2019, further steps have been taken to cement our approach, including the formal training of risk champions on ESG-related risks, and the determination of key scenarios to inform Task Force on Climate-related Financial Disclosures (TCFD) reporting, both facilitated by an independent and external consultancy. More information on our sustainability and climate-related principal risks can be found on page 73.

Sustainability Governance



Our approach to Corporate Sustainability

Our purpose

We support global financial stability and sustainable economic growth by enabling businesses and economies to fund innovation, manage risk and create jobs.



Other CS considerations

We aim to ensure our corporate behaviour and actions are consistent with good practice while generating long-term value creation.

Further information

In this section we provide a high-level overview of our CS activities in 2019. For more detail, see our separate CS report at www.lseg.com/about-london-stock-exchange-group/corporate-sustainability

Supporting sustainable growth (continued)

Our Markets

As a fundamental component of the economy, our markets, built on transparency and trust, help customers optimise their capital resources and let businesses thrive.

Our markets support sustainable growth by providing a platform for funding global businesses, including access to funding for SMEs, through our AIM and ELITE programmes, as well as creating a marketplace for green and sustainable companies, funds and fixed income securities.

Highlights in 2019

- Launch of the Sustainable Bond Market and Green Economy Mark (see box below)
- A record 79 new ESG ETFs were listed on our markets
- Borsa Italiana launched a new segment of its ExtraMOT market for the growth of small and medium-sized companies

75

Companies on our London markets receiving Green Economy Mark

215

Companies on the Sustainable Bond Market



Our Markets in action

Sustainable Bond Market and Green Economy Mark launch

In October 2019, London Stock Exchange launched the Green Economy Mark, recognising equity issuers on London Stock Exchange and AIM with green revenues of 50% or more using the Green Revenues data model developed by FTSE Russell, and the Sustainable Bond Market (SBM) building upon the success of London Stock Exchange's Green Bond Segment, launched in 2015. The SBM includes new dedicated segments for social and sustainability bonds, in addition to the existing Green Bond Segment.

Our Services

€5.8 billion

Commitment to tracking FTSE Custom Developed Ex Korea SDG Aligned Net Tax (DSDG) Index

The Group supports informed and sustainable investment decisions by providing global and multi-asset class indices, analytics and data solutions across the financial markets value chain. This is supported by our philosophies of customer partnership and Open Access that underpin all our operations.

Our services provide data, indices and analytics to help informed investment decision-making, incorporating ESG data factors.

Highlights in 2019

- LSEG acquired Beyond Ratings and FTSE Russell launched the Climate Adjusted World Government Bond Index (Climate WGBI) (see box on next page)
- FTSE Russell launched the FTSE Custom Developed Ex Korea SDG Aligned Net Tax (DSDG) Index
- In early 2020, FTSE Russell launched the FTSE TPI Climate Transition Index in collaboration with TPI and the Church of England Pensions Board

Further information

Our activities under these two pillars are integrated with our operational activities. Further details on our CS progress can be found within our segmental review and CS report, as identified by the following symbols:

- M** Our Markets
- S** Our Services



Our Services in action

Launching the world's first Climate Risk-Adjusted Government Bond Index

In June 2019, LSEG acquired Beyond Ratings, a specialist ESG research company that specialises in fixed income and government bond ESG solutions. FTSE Russell worked with Beyond Ratings to develop the Climate WGBI, the first government bond index to adjust index weights based on each country's preparedness and resilience to climate change risk.

Our People

The engagement of colleagues is central to our organisation. We rely on their skills and experience to deliver on Group strategy and create a culture that ensures we can attract, retain and develop the best talent.

LSEG fully recognises its responsibilities to its people and their importance to our business model. The Group continues to nurture a culture that reflects its values of partnership, innovation, integrity and excellence and supports colleagues' professional development. We also continue to support both diversity and wellbeing across our global locations.

The LSEG Board receives updates on matters relating to employees and culture, through the Group Culture Dashboard and other reporting.

See the Board's report on Corporate Governance on pages 78–84 for further information.

Highlights in 2019

- LSEG launched its Inclusion Network (IN) (see box below)
- Launch of Group Culture Dashboard reporting to Group Executive Committee and Board
- First spring week programme for Science Technology Engineering and Maths (STEM) students
- All Managing Directors received 360° feedback and development programmes

25%

of roles filled internally in 2019



Our People in action

Launch of LSEG Inclusion Network (IN)

In 2019, we launched our global Inclusion Network (IN) to act as a forum where all of our Diversity and Inclusion (D&I) networks will be able to share knowledge and collaborate.

"We are fully committed to creating a culture of inclusion and embracing diversity in all forms to allow our people to be their best"

David Schwimmer
CEO

Supporting sustainable growth (continued)

Our People (continued)

84%

of respondents that agree people from all backgrounds feel welcome

Our culture

Culture continues to be a key strategic focus for the Group. We aim to develop and embed a unified culture across our businesses, supporting our vision: 'to become the leading global financial markets infrastructure group'. During the year, the CEO and Executive Committee (ExCo) continued the development of a culture of collaboration, innovation, feedback, learning and inclusion.

An action plan to support this includes:

- Working with Managing Directors (MDs) across the Group to embed new ways of working, with performance objectives further developed to support the delivery of the Group's strategic objectives
- Making behaviour a key factor in performance assessment and using insights from 360° feedback to strengthen development reviews and plans
- Creating an environment of continuous learning and development for all employees through the Futures career framework to encourage and support individual growth and career development

These actions are supported by a strong set of values that apply to all parts of the Group:

- **Integrity** (my word is my bond): Underpins all that we do – from our commitment to building and supporting global markets based on transparency and trust to every transaction across our business with each stakeholder
- **Partnership** (we collaborate to succeed): We pride ourselves on working together as proactive partners, building positive relationships with our colleagues, customers, investors, regulators, governments and shareholders, for our mutual success and the benefit of all
- **Innovation** (we nurture new ideas): We are ambitious and forward-looking market innovators, driven by fresh thinking that has kept us ahead of change. We invest to make sure that our markets and services are constantly developing and evolving with advances in technology
- **Excellence** (we are committed to quality): We are committed to developing talented teams who deliver to the highest standards in all that we do. By collaborating, we will sustain industry-leading levels of excellence

Our values are, in turn, supported by LSEG Behaviours which are embedded into everything we do:

- **Focusing on Results:** We pursue business goals, take accountability and drive success
- **Using Commercial Judgement:** We know the business, think globally and apply a commercial mindset
- **Creating Value:** We identify opportunities and innovate to create sustainable value for LSEG and its customers
- **Leading Change:** We manage change, provide the context for change and show adaptability
- **Building Effective Relationships:** We understand and address stakeholder needs, collaborate with and influence others
- **Developing Talent:** We develop ourselves and others and build high performance teams

The introduction of the LSEG Behaviours as part of the Futures career framework provides us with a strong foundation on which to build. We are better able to articulate what we expect from individuals at every career stage in terms of skills, knowledge and behaviours.

In 2019, we developed a Culture Dashboard to measure and assess our culture and ensure full alignment to the Group's values and behaviours. The Dashboard provides the Board and ExCo with a quantitative way to measure and assess progress over time, using data gathered from our 'Have Your Say' employee engagement survey and other sources.

The Dashboard focuses on five key areas:

- **Recruitment & On-Boarding:** We recruit individuals with the right skills, behaviours and mindset to support our strategy
- **Performance & Development:** We set individual goals that are aligned with enterprise-wide objectives and supported by a strong organisational learning culture
- **Talent & Mobility:** We identify, nurture, and retain talent, promoting internal mobility to support opportunities across the Group
- **Diversity & Inclusion:** We encourage an inclusive environment, where diverse perspectives are welcomed, and all colleagues can be their best selves at work
- **Leavers:** We use the insights from our leavers to improve future recruitment and reduce turnover

The table below shows our performance against one of the indicators from each area from the Group Culture Dashboard:

Focus area	Indicator	2019	2018	2017
Recruitment & On-Boarding	% of new joiners who understand LSEG's values	99%	97%	N/A ¹
Performance & Development	Hours spent on training	74,770	63,150	41,675
Talent & Mobility	% of roles filled internally	25%	23%	14%
Diversity & Inclusion	% of respondents that agree people from all backgrounds feel welcome	84%	81%	N/A ¹
Leavers	% of leavers that cited work-life balance as primary reason for leaving	7%	5%	N/A ¹

1. Survey data from 2017 not available

Attracting the best talent

Our Graduate and Early Career Programmes continue to help fuel our growth and diversification. We have 39 graduates on programmes globally, and this year provided over 150 internships across six locations. Throughout 2019 we held events to encourage women into finance and technology, resulting in 54% female representation across the global graduate class. In 2019, we also ran our first programme for first-year students studying STEM subjects to encourage broader engagement earlier in the pipeline of recruitment. This is being expanded in 2020.

Supporting our people in their careers

The most recent employee engagement survey results confirm that career progression and access to training and development are still significant drivers of engagement.

We increased our focus on supporting internal mobility and improving our succession planning in 2019, with 25% of roles filled by existing employees.

Learning and Development

We have rolled out a range of initiatives in 2019, including:

- Introducing a range of online training tools, with over 3,300 hours of training accessed in the first three months
- Extending our global mentoring programme and during the year we supported more than 300 mentoring partnerships across 10 countries
- Rolling out 360° feedback and bespoke development programmes to all our MDs
- Introducing our global management development programme, with half of our line managers attending the programme in 2019

Engaging our people

An annual engagement survey enables colleagues to share their views on what it is like to work for LSEG and provides a clear indicator of employee engagement. The overall response rate of 84% in 2019 was our highest to date. The Engagement Index score of 81%, up six points from 2018, provides strong evidence that our colleagues care about the future of the Group and take pride in the organisation as a place of work¹.

As well as the annual employee engagement survey, feedback comes through: a colleague forum which is led and attended by elected volunteers from the workforce; townhalls and ExCo meetings which are open to all employees and held regularly throughout the year; and an Employee-Board consultation process which was launched in London in 2019.

1. "I care about the future of the Group" (94%) and "I am proud to say I work here" (90%)

Diversity and Inclusion

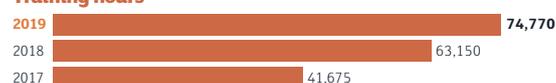
Colleagues are recruited and helped to develop their careers regardless of age, gender, nationality, culture or personal characteristics.

The Diversity and Inclusion (D&I) Committee is chaired by our Chief Risk Officer and meets quarterly to review strategy and progress. In 2019, we launched our global Inclusion Network (IN) to act as an umbrella network for a number of groups.

300+

Mentoring partnerships supported in 2019

Training hours



Roles filled internally



Supporting sustainable growth (continued)

Our People (continued)

41%

Female candidates hired externally at senior manager level

137%

Share price appreciation for employees' Sharesave maturities

Gender diversity

The Group was an early signatory of HM Treasury's Women in Finance Charter in the UK, and we set ourselves a stretch target of reaching 40% female representation in our senior leadership population by the end of 2020. We have made good progress and are committed to working further towards this target. The Hampton-Alexander report recognised the Group for making significant improvements that have led to women comprising 31% of our Board.

Following a focus on a number of initiatives, the proportion of female candidates hired externally rose from 37% in 2018 to 38% in 2019. At senior manager level this proportion was 41%.

At LSEG, we conduct equal pay analysis as part of our annual pay review process and are confident that we do not differentiate pay between men and women who perform equivalent roles. We have a Group-wide reward framework, which establishes the compensation structure, elements and leverage for each stage in our career framework. This is used to review any potential gender bias as part of our annual pay review process. However, we acknowledge that we do have a gender pay gap, due to the unequal distribution of men and women across the company.

We go beyond UK statutory disclosure requirements to increase transparency, provide a more accurate picture of our gender pay gap and establish a more meaningful baseline against which to track progress. Our global gender pay gap mean stood at 23% and median 10% in 2019. The biggest factor behind our gender pay gap continues to be the fact that there are fewer women in senior positions. A report on gender pay gap was published on 16 March 2020. This report can be found at: www.lseg.com/about-london-stock-exchange-group/corporate-sustainability

Rewarding our people

LSEG's reward strategy focuses both on the short term, through an annual bonus scheme linked to our global performance management approach, and on the medium term through share schemes aimed at senior management and the wider workforce. The Long-Term Incentive Plan, details of which can be found on page 108, aligns the performance and reward of senior management with the Group's ongoing performance and growth.

Sharesave, our principal employee share ownership scheme, is available to all permanent employees across France, Hong Kong, Italy, Malaysia, Sri Lanka, the UK and the US. Colleagues can save up to £500 or equivalent per month, with the option after three years of using their accumulated savings to buy LSEG shares at a discounted price. In 2019 we also launched SharePurchase to permanent employees in Australia and Romania. Under this plan, colleagues can purchase up to £500 per month of LSEG shares and are awarded additional shares which vest after the completion of a three-year plan cycle.

During 2019, almost 600 employees across six countries benefited from Sharesave maturities including share price appreciation of 137%, reflecting the Group's performance over the previous three years. Participation was extended further, with almost 1,100 employees joining the 2019 scheme, increasing overall participation to over 59% of eligible employees.

We endeavour to develop a remuneration policy that is aligned with good market practice and corporate governance developments and which continues to promote the long-term success and cultural agenda of the Group; both for LSEG as a standalone company and in the event that the proposed transaction of Refinitiv completes. The Remuneration Committee continues to place great importance on ensuring that there is a clear link between pay and performance, including a focus on culture, adherence to the Group's risk framework, and that our remuneration outcomes are reflective of this wider context. More information on our Remuneration policy can be found on pages 98–128 of this report.

Supporting our people's wellbeing

LSEG's Wellbeing strategy is designed to provide a dedicated framework of awareness and support centred around five pillars: Emotional, Physical and Financial Wellbeing, Workplace choice and Social Purpose.

During 2019 a range of programmes and initiatives focused on these topics were rolled out across the Group. For more information please see our CS report (pages 26–27)

Gender breakdown

LSEG plc Board

2019	4	9
2018	3	10

LSEG Subsidiary Board^{1,3}

2019	31	132
2018	22	116

ExCo and Leadership Teams^{2,3}

2019	140	291
2018	134	295

All other colleagues

2019	1,577	2,957
2018	1,435	2,723

Total⁴

2019	1,717	3,248
2018	1,569	3,018

Female Male

- Mix of employees and Non-Executive Directors
- Executive Committee and Leadership Teams in LSEG
- 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
- Total comprises ExCo and Leadership Teams and All other colleagues

Note: Figures as of year ended 31 December 2019.

Our Communities

As our global presence grows, we monitor our impact on the communities around us and how it aligns with our strategy and values. We aim to promote sustainable practices and support local communities and the environment where we have a significant business presence.

Highlights in 2019

- LSEG Foundation donated £1.4 million to charities in 2019
- Launched volunteering initiative for SMEs in partnership with Centre for Entrepreneurs as part of their NEF Fast Track programme
- LSEG Foundation Challenge launched in October 2019
- Lindenfeld Association Ajungem Mari chosen as Romania charity partner



Our communities in action LSEG Foundation

London Stock Exchange Group Foundation provides a primary channel for the Group's charitable giving as well as a focal point for staff engagement with local charities. In 2019, the Group donated £1,616,000 to the LSEG Foundation, and £130,000 directly to a number of charities. The Foundation's approach and positioning is aligned with the overall Group CS strategy, while recognising the global reach of LSEG's business model. More information on this can be found in the CS report on page 33.

20%
of our global workforce
volunteered in 2019

Our wider responsibility

In addition to activities that specifically aim to deliver our CS strategy, we also aim to ensure that our own business activities are consistent with good practice.

Environment

We recognise that we must use resources in ways that deliver long-term sustainability and profitability for the business and have regard for impact on the environment. We also take such factors into account in developing our products and services. The Group's primary greenhouse gas (GHG) emissions arise from energy, waste and water in our offices and data centres around the world, from staff travel, and indirectly from our supply chain. We are aware of the risks and opportunities for our business arising from climate change and have developed measures to address them. We actively monitor these changes so that we can adapt and respond as necessary.

Managing our environmental impact

We take an active approach to emissions management. Our Environmental Management Group (EMG) guides the Group's environmental strategy, and is responsible for setting Group-wide targets, managing and seeking to improve our environmental performance.

Its responsibilities also include:

- Increasing efficiency and reducing consumption in areas including energy, water usage, waste management and business travel
- Ensuring that environmental considerations are incorporated in the Group's purchasing and procurement decisions
- Engaging with clients, suppliers and community partners to promote environmental best practice

The EMG accurately measure and report on GHG impacts across our property portfolio, including managed offices where possible. We report beyond the mandatory reporting guidelines to include Scope 3 emissions, performance is reported quarterly on an internal basis, and we annually disclose to CDP, Dow Jones Sustainability Indices (DJSI), FTSE4Good and on our website: www.lseg.com.

We have maintained our accreditation for our ISO 14001 Environmental Management System by a UKAS accredited body. The system currently covers the UK property portfolio and we are assessing expansion to cover further locations.

The Group CFO reports to the Board on environmental issues.

Supporting sustainable growth (continued)

Our wider responsibility (continued)

41%

Reduction in our absolute carbon footprint in 2019

Our targets and progress in 2019

During the reporting period, we achieved a 41% reduction in our absolute carbon footprint and a 42% reduction in carbon emissions per Full Time Employee (FTE). This reduction was primarily due to our move to 100% renewable electricity. This has been achieved through maintaining 100% renewable supplier tariffs for 66% of our electricity consumption and the procurement of energy attribute certificates for all other electricity consumption (purchased from an internationally recognised trader, member of IETA and CDP gold partner). Energy conservation measures (such as office consolidation projects, LED lighting upgrades, and decommissioning of legacy servers) have continued in all regions to reduce energy consumption. Throughout 2019 there has also been an increased focus on recycling and waste management.

LSEG was one of the first companies in the financial services sector to commit to a long-term science-based carbon reduction target, which is that “We commit to a 40% reduction of our global scope 1 and 2 GHG emissions by 2030 from a 2016 baseline”. As this target has been achieved, we continue to work towards the approval of our 2030 targets by the Science-based Targets initiative, therefore, in 2020 we aim to achieve a further 2% reduction in Scope 1 and 2 emissions per FTE and per £m revenue and a 2% reduction in waste per FTE compared to 2019. We will fully assess the actions needed to achieve carbon neutrality, including offsetting unavoidable air travel emissions through Gold Standard carbon credits. More information on this can be found in our CS report.

Methodology and verification

We report all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources fall within our consolidated financial 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).

LSEG's Scope 1, 2 and 3 emissions have been externally verified by SGS against the requirements of the WRI/WBCSD GHG Protocol – Corporate Accounting and Reporting Standard. Conduct of the verification met the requirements of ISO 14064-3:2006.

More information and full details of our emissions inventory and targets can be found in our CS report. Our verification statement is available on our website.

Global 2019 GHG Emissions

tCO ₂ e – Tonnes of carbon dioxide equivalent		2019	2018	% change
Total Group Carbon Footprint ¹		10,604	17,864	(41)
	– per m ²	0.11	0.20	(45)
	– per FTE	1.95	3.37	(42)
	– per £m Revenue	4.58	8.37	(45)
Energy Consumption (kWh) ²		71,160,796	69,527,917	2
Scope 1 ³		1,816	1,414	28
Scope 2 ⁴		0	7,132	(100)
Scope 3 ⁵		8,788	9,319	(6)
Renewable Electricity ⁶ (%)		100	66	52
	Energy Consumption (kWh)	45,548,676	45,772,555	(0.5)
UK	Scope 1	513	399	29
	Scope 2 – Market based	0	1,830	(100)
	Scope 2 – Location based	11,166	12,440	(10)
	Energy Consumption (kWh)	25,612,121	23,755,362	8
Rest of Group	Scope 1	1,303	1,015	28
	Scope 2 – Market based	0	5,301	(100)
	Scope 2 – Location based	6,884	6,728	2

- All Group totals and electricity breakdowns use market-based Scope 2 emissions factors. Group carbon footprint includes tenant consumption.
- Electricity, Natural Gas, Diesel, LPG and Fleet Vehicle fuel have each been converted from their respective units to kWh in order to be presented as an aggregate fuel consumption value. Defra GHG Conversion Factors 2019 (Fuel Properties) have been used as the basis for this conversion. Refrigerant consumption is not included in total kWh.
- 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 by the Group for its own use (the Group does not purchase heat, steam or cooling). Market-based emissions use supplier-based emission factors and energy attribute certificates for where 100% renewable supplier tariffs are not in place. Residual mix factors are excluded due to the entire group electricity consumption being covered by 100% renewable tariffs or energy attribute certificates.
- Scope 3 emissions are not separately reported by UK and Rest of Group, due to the collection of travel data at the group level.
- 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 have been sourced from an internationally recognised trader who is an IETA member and gold partner of CDP. 65% of our total electricity consumption is via 100% direct renewable supplier tariffs.

Task Force on Climate-related Financial Disclosures (TCFD)

Supporting the call for more effective climate-related financial disclosures to inform longer-term investment decision, in June 2017 LSEG signed a statement of support for the recommendations of the TCFD framework established by the Financial Stability Board.

The table below, by cross-referencing relevant disclosures, summarises LSEG's current TCFD alignment.

TCFD recommended disclosures	LSEG approach	2019 enhancements	References
GOVERNANCE			
a. Information on LSEG's governance around climate-related risks and opportunities: Board's oversight	<ul style="list-style-type: none"> – LSEG Board has oversight of the Group Corporate Sustainability Policy, which includes our Environmental policy; – The Group CEO sponsors the Group CS Policy at Board level – The Group CFO reports to the Board on environmental matters 	<ul style="list-style-type: none"> – Board Risk Committee presented with clearly identified non-financial risk framework as part of Group ERM, including climate-related risks 	<ul style="list-style-type: none"> – Group Corporate Responsibility Policy – LSEG CS Report 2019: Environment section, page 36 – Risk section of this report, page 73
b. Information on LSEG's governance around climate-related risks and opportunities: Management's role	<ul style="list-style-type: none"> – Group CS Committee chaired by the Group CRO comprise a number of Executive Committee members – The EMG is responsible for setting Group-wide targets, and managing and seeking to improve our environmental performance 		<ul style="list-style-type: none"> – LSEG Corporate Sustainability report 2019, Governance section, page 7 – LSEG Annual Report 2019, Supporting Sustainable Growth section, page 40
STRATEGY			
a. Climate-related risks and opportunities identified over the short, medium and long-term:	<ul style="list-style-type: none"> – Impact of low-carbon transition and rise of green industries monitored by FTSE Russell through Green Revenues data model 	<ul style="list-style-type: none"> – The Group has developed climate-related risk scenarios over both the medium and longer term to help identify how these risks may impact our business 	<ul style="list-style-type: none"> – LSEG CS Report 2019: Environment section, page 36–42 – FTSE Russell Green Revenues data model
b. Impacts of climate-related risks and opportunities on LSEG's business, strategy and financial planning	<ul style="list-style-type: none"> – Our EMG guides the Group's environmental strategy, and is responsible for setting Group-wide targets, managing and seeking to improve our environmental performance 	<ul style="list-style-type: none"> – ESG and climate factors are becoming a mainstream consideration in investment decision making 	<ul style="list-style-type: none"> – Strategy section of this report, page 15 – For scenario analysis, see risk section of this report, page 73
c. Resilience of the organization's strategy based on scenario analysis	<ul style="list-style-type: none"> – We have been working on developing scenarios to identify the most material physical and transition risks for the business 	<ul style="list-style-type: none"> – Scenario selection completed 	<ul style="list-style-type: none"> – LSEG Annual Report 2019, Supporting Sustainable Growth, page 40
RISK MANAGEMENT			
a. Information on LSEG's processes for: identifying and assessing climate-related risks	<ul style="list-style-type: none"> – Some climate-related risks have been categorised as emerging risks and it is acknowledged that they are inherently linked to other strategic, financial and operational risks 	<ul style="list-style-type: none"> – Training was delivered to Risk champions to enable effective identification and assessment of ESG risks, including climate-related – The Group has developed climate-related risk scenarios over both the medium and longer term 	<ul style="list-style-type: none"> – LSEG 2019 CDP Response: Risk and Opportunities Section, questions C2.1–C2.3 – LSEG annual report: Principal risks and uncertainties – emerging risks section, page 73
b. Information on LSEG's processes for: managing climate-related risks	<ul style="list-style-type: none"> – LSEG has taken proactive steps to develop its methodology to define and model how climate change impact its businesses. The aim is to reinforce the Group's resilience 		<ul style="list-style-type: none"> – LSEG Annual Report, Supporting Sustainable Growth, page 40
c. Information on LSEG's processes for: how climate-related risks are integrated into LSEG ERM system	<ul style="list-style-type: none"> – LSEG continues to increase our focus on embedding these risks in our ERM framework and some climate-related risks have been categorised as emerging risks and it is acknowledged that they are inherently linked to other strategic, financial and operational risks 		
METRICS AND TARGETS			
a. Metrics and targets used by LSEG to assess and manage: relevant climate-related risks and opportunities	<ul style="list-style-type: none"> – Exposure of our markets to the green economy 		<ul style="list-style-type: none"> – LSEG CS Report 2019: Environment section, pages 36–42
b. Metrics and targets used by LSEG to assess and manage: Scope 1, 2 and 3 GHG emissions	<ul style="list-style-type: none"> – Physical risk metrics are associated with LSEG environmental programme targets 		<ul style="list-style-type: none"> – FTSE Russell Report "Investing in the Global Green Economy: busting common myths", 30 May 2018
c. Metrics and targets used by LSEG to assess and manage: Targets and performance	<ul style="list-style-type: none"> – LSEG sets environmental targets for business operations for 2020 and 2030 and reports against these targets externally on an annual basis 	<ul style="list-style-type: none"> – LSEG has submitted 2030 targets to the Science Based Targets initiative (SBTi) and is still working to obtain approval 	<ul style="list-style-type: none"> – LSEG Annual Report 2019, Supporting Sustainable Growth, page 48

Supporting sustainable growth (continued)

Our wider responsibility (continued)

Policies

A Group-wide Policy Framework has been established with each policy containing the following:

- Risk definition and identification
- Risk Appetite and Tolerances
- Minimum Standards and Risk Management Activities

All Group-level policies are approved by the Executive Committee as a minimum and other Committees and Boards as defined in the Enterprise Risk Management Framework. Policies are subject to annual review, which may be approved by the Policy Owner and Executive Sponsor if there are no material changes.

Policies are implemented and managed in accordance with the Enterprise Risk Management Framework and three lines of defence operating model. All Group Policies are published on Bond, the internal online intranet site, available to all staff. Material Policy breaches are reported to the Board, the Executive Committee and relevant sub-Committees.

Given their relevance for our industry and associated risks, we provide below a brief comment on the outcomes of the following policies, deemed to be most relevant to our Corporate Sustainability processes:

- Financial Crime (including Anti-Money Laundering)
- Anti-bribery and Corruption
- Group Information Security
- Business Continuity Management

In the case of all policies stated above, compliance with which is regularly monitored, the outcome is that there have been no breaches material to LSEG in 2019. More details on these policies can be found on page 45 of the CS report.

Our Code of Conduct and Corporate Sustainability policy, both published on our website, are underpinned by LSEG's values and behaviours and a number of policies that embed sustainability into our day to day operations.

All new and existing LSEG employees are provided with training on the Group's core policies, including all the key regulatory and legal requirements. The Group has maintained a 100% completion rate across all compliance training delivered in the 2019 period.

Human Rights

LSEG respects and seeks to adhere to the UN Guiding Principles on Business and Human Rights, together with the International Labour Organization Conventions and Recommendations within our working environment in each location where we operate. 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 Corporate Sustainability policy.

Our risk assessment and research in 2019 has once again indicated that LSEG operates in an industry where the risk of modern slavery and human trafficking is inherently low. However, we operate as a global business and therefore recognise the risks of partnering with a varied spectrum of global suppliers and of slavery occurring deeper in those complex supply chains.

The Group has a zero-tolerance approach to modern slavery. Some of the key actions taken in 2019 were:

- Refreshed risk assessment on our current supplier base to identify the highest risk suppliers from a slavery perspective which has confirmed majority of our relevant supplier spend is with suppliers in our lowest slavery risk tier. Our procedures and anti-slavery approaches continue to be appropriate and proportionate
- Following from the 2018 Modern Slavery Act Statement and analysis we obtained agreement to our enhanced Supplier Code of Conduct from a number of higher risk suppliers, with the majority of our current relevant supplier base having now accepted our Supplier Code of Conduct
- Having identified a small number of suppliers' risk to be in our highest tier risk category, we have established an action to ensure that such identified suppliers agree to our Supplier Code of Conduct in 2020

The most recent version of our modern slavery statement can be found at: www.lseg.com/about-london-stock-exchange-group/corporate-sustainability/modern-slavery-act-statement