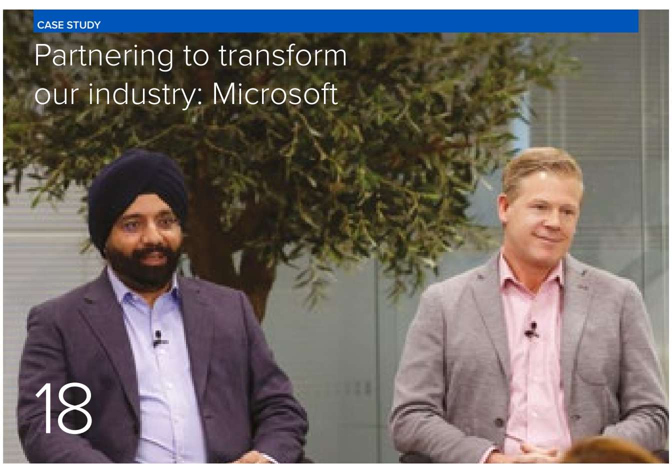
London Stock Exchange Group plc
Annual Report 2023

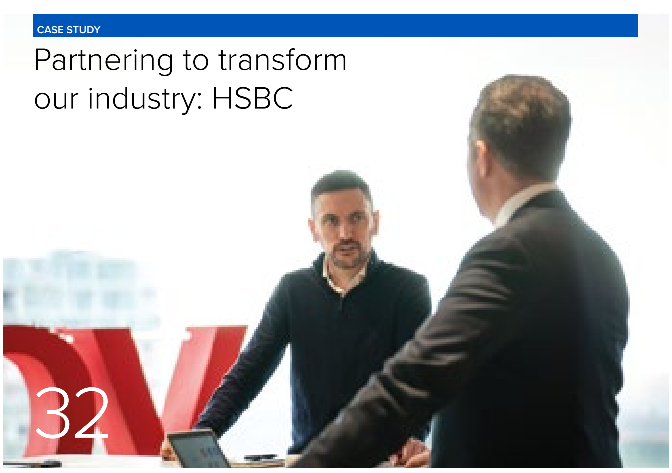
Partnering to transform our industry

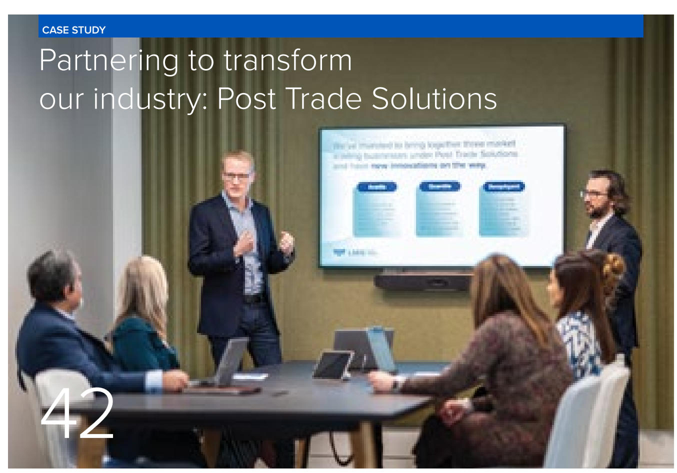
LSEG
OPEN MAKES MORE POSSIBLE

Partnering to transform our industry

We build partnerships across our industry that facilitate innovation, build trust and improve efficiency. See the case studies on the following pages to learn more about our partnerships in action…







Contents

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.

Our purpose

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

Strategic Report

Approval of the Strategic Report is provided in the Directors' Report on page 154.

Governance

Financial Statements

Shareholder Information

London Stock Exchange Group plc
10 Paternoster Square
London EC4M 7LS
Telephone: +44 (0)20 7797 1000
Registered in England and Wales
No. 5369106

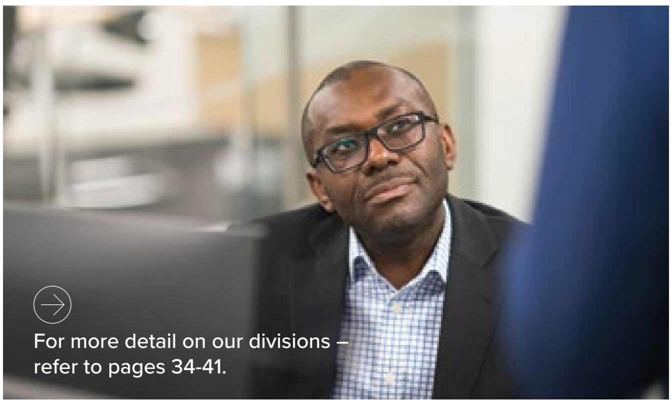
Further information on London Stock Exchange Group can be found at: www.lseg.com.

LSEG at a glance

What we do

We are leaders in data and analytics; capital formation and trade execution; and clearing and risk management. Our businesses are discussed in depth in our divisional reviews on pages 34-41.

Our divisions



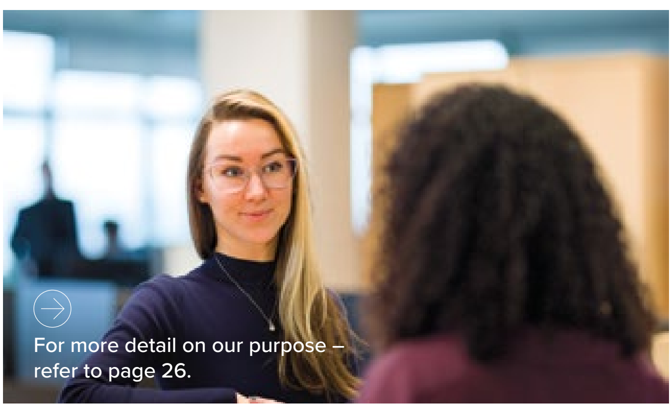
We are an integral partner for our customers across every stage of the trade lifecycle, in multiple asset classes.

Data & Analytics
High-value data, analytics and indices, with solutions to manage risk, workflow and data.

Capital Markets
Venues/platforms to raise or transfer capital through issuance and secondary market trading for equities, fixed income and foreign exchange (FX).

Post Trade
Clearing, risk management, capital optimisation and regulatory reporting solutions.

Our purpose

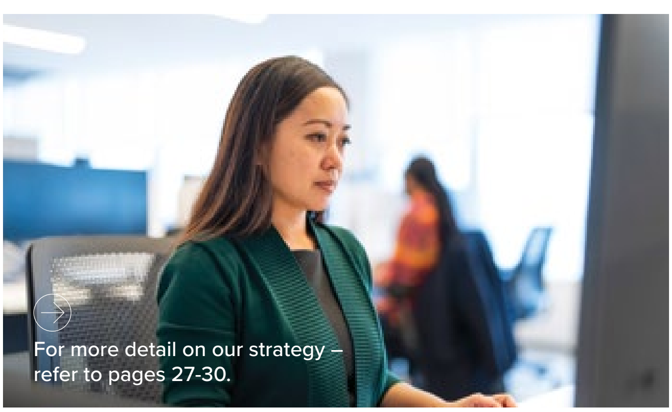


We drive financial stability
by operating businesses that are of systemic importance, fundamental to the financial ecosystem and critical to our customers.

We empower economies
by helping our customers to raise capital, support employment, innovate and access global financial networks, across multiple asset classes.

We enable customers to create sustainable growth
by providing the tools and data that enable financial markets to manage risk and make informed investment decisions.

Our strategy



Our long-term strategy builds on our strengths, as we invest in solutions and services that can adapt and scale in evolving global financial markets. We are:

Globally essential
Critical infrastructure and insight to customers required for the efficient running of financial markets.

Multi-asset class
Across traditional and emerging asset classes, in both public and private markets.

Seamlessly connected
Partnering with customers, enabling connectivity across the financial markets value chain through open platforms and venues.

How we performed

Our financial performance in the year, including the below metrics, are discussed in more detail in our financial review on pages 44 to 57.

Financial highlights[1]

Total income growth excluding recoveries[2]

+7.8%

2022: +19.6%

Operating profit

£1,371m

2022: £1,417m

Basic earnings per share

138.9p

2022: 141.8p

Dividends per share

115.0p

2022: 107.0p

Adjusted financial highlights[1,3]

Total income growth excluding recoveries[2] (constant currency basis)

+8.3%

2022: +5.7%

Adjusted EBITDA margin

47.2%[4]

2022: 47.8%

Adjusted operating profit

£2,862m

2022: £2,728m

Adjusted earnings per share

323.9p

2022: 317.8p

Sustainability highlights

Female representation at senior leadership

42%

2022: 40%

Sustainable issuers

236

2022: 217

Reduction in carbon emissions[5]

-29%

2022: -57%

For a full list of our key performance indicators – refer to pages 20 to 23.

1 Continuing operations
2 Recoveries relate to fees for third-party content, such as exchange data, that is distributed directly to customers.
3 Adjusted figures exclude the impact of any non-underlying items. For more information on the criteria that constitute non-underlying items, see page 181.
4 On the basis of our c.48% EBITDA margin guidance for 2023 (excluding the impact of FX movements and the acquisition of Acadia), adjusted EBITDA margin was 48.0%.
5 Reduction of Scope 1, Scope 2 (market), Scope 3 (selected – business travel, home working, commuting, FERA) emissions vs a 2019 baseline.

Our business model

LSEG is well positioned to deliver long-term sustainable growth.

Five factors underpin the value we deliver:

1
We are a leading provider of financial markets data and infrastructure

2
We bring deep expertise and a trusted reputation across the financial markets value chain

3
We are exposed to structurally high growth markets

4
We generate high-quality revenue that is mostly recurring in nature

5
We consistently invest for growth

1

We are a leading provider of financial markets data and infrastructure

Across our business divisions we provide products and services that are essential to financial markets. These include:

Data and distribution
Workspace provides end users with access to critical financial data, news, our workflow platform and content from over 150k data sources. Our real-time feeds drive trading and investment decisions across multiple latencies, delivering data covering more than 80 million instruments through proprietary distribution channels as well as partner applications. Our Customer & Third-Party Risk business provides risk screening, identity and account verification and customer onboarding services.

Our real-time data covers
>80m
instruments

Our World Check One offering processed
176bn
screens in 2023

World-class indices
FTSE Russell provides indices supporting trillions in global assets under management (AUM), enabling investment flow for the buy-side.

2023 FTSE Russell ETF AUM
>$1.2tn

2023 FTSE Russell ESG passive AUM
$262bn

Leading venues
We operate leading equities venues including London Stock Exchange Main Market and LSE Alternative Investment Market (AIM). In FX and in Fixed Income (through Tradeweb), we operate leading global dealer-to-dealer and dealer-to-client venues.

2023 FX total ADV[1]
$442bn

2023 Tradeweb rates – cash ADV[1]
$367bn

Critical infrastructure
Through LCH, we operate a leading global clearing house with a >90% share of cleared interest rate swap notional outstanding. Our infrastructure underpins capital movements being made by the largest financial institutions around the world.

SwapClear client trades in 2023
3.2m

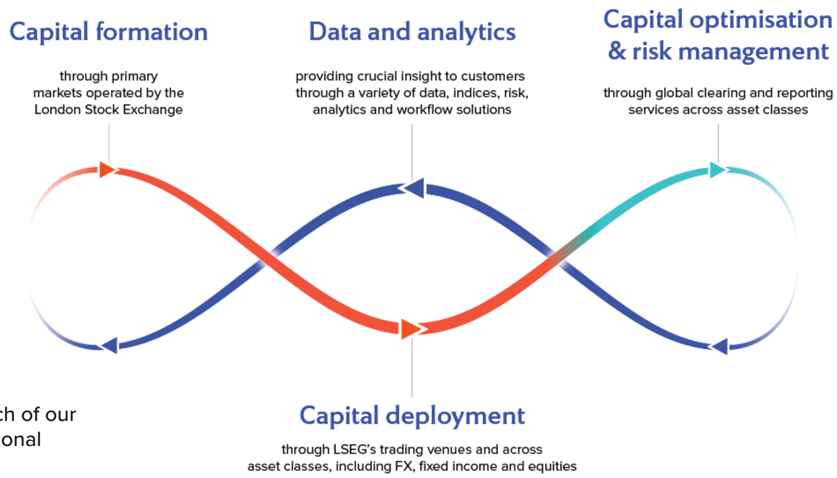
CDS notional cleared in 2023
€4.8tn

Uniquely positioned
We are trusted by customers, partners and regulators as a provider of critical infrastructure. This stems from decades of experience operating trading venues, clearing systems and data and analytics infrastructure.

Bringing together this differentiated combination of capabilities is enabling scale and new value creation as we serve financial markets. As the boundaries between data and infrastructure blur, we will generate new areas of opportunity and collaborative customer partnerships:
— Innovative trading and risk analytics.
— Improved workflow connectivity.
— More connected and intelligent data sets.
— New cloud-based models – Data-as-a-Service, Platform-as-a-Service, Analytics-as-a-Service.

2

We bring deep expertise and a trusted reputation across the financial markets value chain

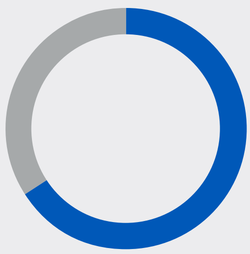


For more information on each of our divisions – refer to our divisional reviews on pages 34 to 41.

Data & Analytics
A leading provider of high-value financial markets data, indices and analytics.

Income
£5.3bn

Share of Group income[2] 66%



Growth[2]
+7.3%

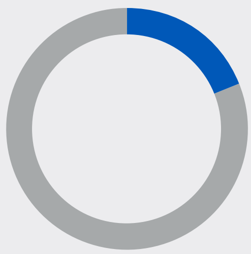
Highlights
- #1 real-time data business.
- A leading global index and benchmark provider (FTSE Russell).
- Leading provider of Know Your Customer screening though World-Check.

Other market participants include:
Bloomberg
S&P Global

Capital Markets
A global operator of leading capital raising and trading venues in multiple asset classes.

Income
£1.5bn

Share of Group income[2] 19%



Growth[2]
+6.1%

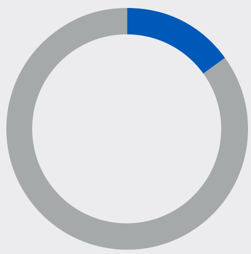
Highlights
- A leading dealer-to-client FX platform (FXall) and leading global interbank FX venue.
- A leading fixed income, derivatives and ETF electronic trading platform (Tradeweb).
- #1 European exchange by capital raised.

Other market participants include:
CBOE Global Markets
Euronext

Post Trade
A leading provider of clearing, risk management and capital optimisation solutions.

Income
£1.2bn

Share of Group income[2] 15%



Growth (including NTI)[2]
+17.4%

Highlights
- Leading global clearing house with >90% global share of cleared interest rate swap notional outstanding.

Other market participants include:
CME Group
Deutsche Boerse AG

1 Average daily volume.
2 Proportion of total Group income, excluding recoveries.
3 Growth is on a constant currency basis.

3

We are exposed to structurally high growth markets

We have built a global footprint that enables us to serve a broad range of customers around the world.

Growing markets

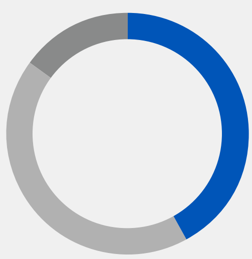
We serve multiple asset classes and growing liquidity pools, including equities, FX and fixed income markets. Through our Data & Analytics business we are also able to capitalise on the growing demand for data, insight and automation. We expect this demand to accelerate further as the adoption of cloud, AI and automation continues to increase in the coming years.

For more information on relevant market trends and our responses – refer to pages 08 and 09.

Diverse geographies

We have a balanced global exposure, generating 43% of income in EMEA, 42% in the Americas and 15% in APAC. This is supported by the distribution and diversity of our people – with 56% of our headcount based in APAC, including our leading operations and customer support hubs in Bengaluru, Manila and Colombo.

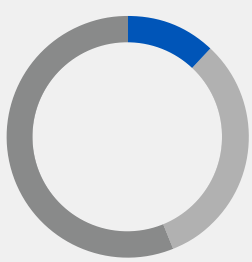
Revenue by geography[1]



- Americas 42%
- EMEA 43%
- APAC 15%

1 Total income including recoveries.

Employees by geography



- Americas 12%
- EMEA 32%
- APAC 56%

Significant customer relationships

We are dedicated partners to our customers across the entire trade lifecycle, with an open model and commitment to excellence.

We are a leading partner for the financial services sector, with customers including the world's largest banks, buy-side and sell-side trading desks, asset managers and owners, wealth advisers and hedge funds.

Additionally, we support critical central banking and regulatory institutions with our solutions. We have a sizeable and growing footprint across corporate communities, serving 47 of the 50 largest corporates globally, with offerings including FX hedging solutions, risk management tools and capital raising.

Customers we serve

45,000+

Customers out of the top 100 global banks by total assets[1]

100

Customers out of the 50 largest corporates by market capitalisation[1]

47

1 As of February 2024.

4

We generate high-quality revenue that is mostly recurring in nature

We generate more than 70% of our income through recurring revenue associated with data subscriptions and licences. This business model benefits from a consistently high level of retention, contracts that are typically 12-24 months in duration and improving performance in our Annual Subscription Value (ASV).

We are well positioned to capitalise on growing pools of transactional income through our venues. This includes Tradeweb, which continues to benefit from the electronification of rates and credit markets, and other businesses positioned to attract liquidity flow such as FXall (FX dealer-to-client), Matching (FX dealer-to-dealer) and LCH which benefits from volume growth in swaps and other OTC derivative markets.

Recurring revenue

Visible revenue
Mostly subscription and licence revenue, typically 12-24 month contract duration.

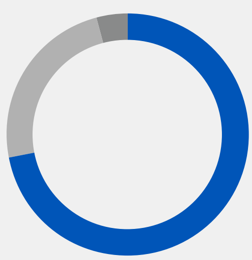
Highly diversified
Revenues are broadly based across activity, product, geography and >45,000 customers.

Strong customer relationships
Consistently high retention.

Transactional revenue

Diversified pool of revenue, growing across Post Trade and Capital Markets, driven by strong Tradeweb performance.

Total income excluding recoveries



- Recurring revenue 72%
- Transactional revenue 24%
- Net treasury income 4%

5

We consistently invest for growth

We are highly cash generative, allowing us to invest organically in new products and services, continually modernise our infrastructure and acquire businesses that are complementary to our business model and distribution footprint. In 2023 we continued to invest in our business, through a combination of building new products to drive organic growth, transforming our technology and continuing to ensure our systems are resilient and secure. We also completed the acquisition of Acadia, supporting our development of innovative post trade solutions and unlocking the growth potential of the business within the Group. For more information on this acquisition, see our Post Trade 2023 highlights on page 41 and a case study on our Post Trade Solutions offering on page 43.

Our 10-year strategic partnership with Microsoft will also help build next-generation services that empower customers to generate business insights, automate complex and time-consuming processes and ultimately, do more with less. For more information on our partnership and how we are investing in joint product development alongside Microsoft, see page 19.

More detail on capital allocation can be found in our Chief Financial Officer's review on page 46 and on our website: www.lseg.com/investor-relations/.

Market trends and our response

Demand for data and its integration into workflows

Growth in global demand for high-quality, precision time stamped and differentiated datasets from flexible, reliable and traceable data, which offer choice of on-premise and cloud service delivery.

What is LSEG's response?
We continue to invest in our real-time and pricing offerings to add more latency options and we are embracing automation to improve the quality and breadth of our data across asset classes. We are focused on maintaining our position as the #1 real-time data provider by offering more choice in public and private cloud, and managed on-premise solutions.

Example of this in action
Our Real-Time Optimised service, hosted on the public cloud, provides fast and simple access to our unparalleled content from hundreds of exchanges and OTC markets around the world allowing our customers depth of content, choice of service and delivering speed to market.

With increasing automation and liquidity fragmentation and evolving regulation, there is a growing need for smarter, faster, safer trading platforms, enabling end-to-end trading workflows, with access to liquidity, data and execution. We can also be affected by evolving regulation ourselves.

What is LSEG's response?
We are joining up all our workflows across multiple areas of our businesses to create seamless and interoperable offerings for our customers. We also continue to work closely with regulators on an ongoing basis. For example, we have been in ongoing dialogue with the Financial Conduct Authority (FCA) as they conduct their study into the wholesale data market. We await their findings as they look to assess the competitive landscape of this space.

Example of this in action
We are integrating our recently acquired Order and Execution Management System (OEMS) platform, TORA, into Workspace. This will create an end-to-end buy-side workflow solution for traders and fund managers, with seamless access to, and interoperability with, our datasets and analytics.

The continued global focus on growth that is sustainable in all senses is driving increasing demand for sustainably-linked investments and products. Investors are increasingly allocating capital to sustainable portfolios and strategies, while market participants are integrating sustainability into workflows and business models, in many cases driven by emerging regulatory requirements that differ by market.

What is LSEG's response?
We are developing new products to deliver on our commitment to enable sustainable growth for our customers and their communities.

Example of this in action
Our new climate data package includes an expanded set of reported data measures, sophisticated analytics, new climate emission estimate models and third-party data from the Carbon Disclosure Project (CDP). This solution consolidates our capabilities on climate to help our clients manage climate risk, build investment strategies and products, and report on climate transition.

Rise of new technologies including AI

Cloud-enabled business models such as Data-as-a-Service (DaaS), Data-Management-as-a-Service (DMaaS) and Analytics-as-a-Service (AaaS) are emerging as firms look to build new solutions and do more with data and analytics.

What is LSEG's response?
We are developing new and innovative data and analytics solutions for our clients in the cloud, enabled by our multi-cloud approach.

Example of this in action
Our next-gen content offering is reinventing the data experience for our customers and addressing the growing number of challenges they face around handling data. This is being done in partnership with Microsoft – for more information on this partnership, see page 19.

Process automation, machine learning and AI continue to create opportunities for operational efficiencies, alongside the development of new innovative products.

What is LSEG's response?
We have been using AI and machine learning across our business for many years and we continue to build AI functionality into our platforms and workflows. Our peers are also investing and innovating in this evolving space, leading to increased competition and quality of AI-powered products and services.

Example of this in action
Two examples of AI in our offering include: 1) Content ingestion in our Data & Analytics business, which uses natural language processing (NLP) to automate transcripts of company webcasts, reducing average processing time of transcript summaries into Workspace; and 2) Advanced Dealing, our fully integrated, cloud-based FX trading environment with AI-powered, chat-driven trading functionality.

The rise of Large Language Models (LLMs) and generative AI drives both a need for ever more expansive data sets and the opportunity for businesses to access more data, in faster, more efficient and trusted ways.

What is LSEG's response?
We are using generative AI to further modernise our business, enhance customer productivity and unlock operational efficiencies. We aim to be the trusted provider of financial services data for usage by AI models across financial services, leveraging our data breadth, quality and auditability.

Example of this in action
We have a bespoke AI framework, tailored using our data and IP, to generate insights and create intelligent workflows. Furthermore, in partnership with Microsoft we are developing AI-powered copilots and solutions to be delivered through Microsoft platforms, which will ease discoverability and usage of our data.

Buy-side market participants who believe market data spending will rise over the next 12 months

80%

Proportion of financial service firms actively adopting AI technology

62%

Electronification and digitisation of trading

Electronification of financial markets continues to drive trading volume growth, improve efficiency and enable access to liquidity. This trend is expected to continue as many asset classes are far from reaching maturity in adoption of electronic and automated trading.

What is LSEG's response?
Tradeweb is continuously innovating to remain the platform of choice as fixed income trading becomes increasingly electronic.

Example of this in action
Tradeweb launched improvements to its Automated Intelligent Execution (AiEX) tool, where clients can link their order management systems directly to the Tradeweb platform, fully automating the execution of the trade. Tradeweb has continued to evolve the technology, adding asset classes and new trading protocols, such as click-to-trade, Request-for-Market (RFM) and portfolio trading.

The rise in the use of – and demand for – digital assets across both retail and institutional investors as well as with central authorities and asset managers and custodians is driving increased customer demand for associated financial markets infrastructure, data and analytics.

What is LSEG's response?
Expanding the coverage of our asset classes whilst adhering to our high risk standards is key to ensuring we fully support customers navigating emerging drivers of market volatility, such as the failure of FTX Trading.

Example of this in action
We announced our intention to partner with GFO-X to provide a regulated crypto future trading and clearing infrastructure.

Digital platforms are unlocking growth across multiple segments including digital exchanges, digital payments, online banking and retail wealth, driving greater demand for efficiency across the trade lifecycle.

What is LSEG's response?
Our vision is to create the first global digital market infrastructure that provides an open access, all-to-all solution for transferring securities: any asset class, anywhere in the world, at any time and end-to-end, from issuance to post trade processing.

Example of this in action
We announced plans for a new digital market infrastructure, which will facilitate capital market transactions using distributed ledger technology.

Share of US investment grade corporate bonds traded electronically (doubled since 2020)

40%

Regulation, risk management and the need for capital optimisation

Market volatility highlights the importance of trusted venues and secure clearing houses that are capable of meeting demand spikes. Cases of extreme volatility can ultimately lead to the consolidation of some of our customers, as we saw in 2023 with Credit Suisse.

What is LSEG's response?
Our market infrastructure businesses play a key role in helping participants to navigate major events, such as the collapse of Silicon Valley Bank in March 2023. Heightened market volatility is a positive driver of revenue for parts of our business, e.g. our OTC Derivatives clearing business in 2023.

Example of this in action
LCH is a global business; our FX, IRS, CDS, equities and repo markets are all cross-border markets, enabling us to provide clearing services to customers in over 60 countries.

A combination of regulatory and capital requirements and pressure to improve operational efficiency is driving heightened need for our customers to manage capital and cost. Many are seeking ways to automate and streamline post trade workflows for cleared and uncleared OTC derivatives and optimise how their balance sheets are utilised.

What is LSEG's response?
We are bringing the benefits of our clearing house and OTC derivatives know-how to the uncleared space, working alongside our partners to support their regulatory compliance and capital optimisation needs.

Example of this in action
We are consolidating three assets to create Post Trade Solutions: 1) SwapAgent, our clearing house for bilateral derivatives; 2) Quantile, which provides financial resource optimisation solutions; and 3) Acadia, providing standardised collateral and multi-asset class workflow capabilities for uncleared OTC derivatives. For more information on Post Trade Solutions, refer to page 43.

The impacts of accelerated digitisation, including open banking, emerging regulations, the growth in digital payments and increased cross-border business operations, have created new risks for our clients and their customers. Firms are seeking ways to manage these risks by better understanding their customer base/supply network (Know Your Customer – KYC and Know Your Third Party – KY3P) and minimising incidences of fraud and illicit activity through anti-money laundering solutions and digital customer identification.

What is LSEG's response?
We help our clients comply with mandatory KYC, anti-bribery and corruption, and associated legislation, and support them in detecting money laundering, and account and payment fraud. We also help them counter the financing of terrorism, human trafficking, modern day slavery and green crime.

Example of this in action
Our globally recognised World Check database helps clients to meet their due diligence obligations and identify potential financial criminal activity. The importance of this service has been heightened in a year of significant geopolitical tension.

Additional capital required by European banks to adhere to the regulatory requirements of Basel IV

€120bn

Chair's statement

LSEG delivered a strong performance as we continue to transform our business and deliver on our strategy to be the leading global financial markets infrastructure and data provider.

Don Robert
Chair

Growth in adjusted operating profit[1]

+7.9%

2022: +4.6%

Total dividend per share for 2023

115p

2022: 107p

Returned to shareholders via buybacks since August 2022

£1.5bn

1 Growth is on a constant currency basis.

Overview
In 2023, LSEG delivered a strong performance as we continue to transform our business and deliver on our strategy to be the leading global financial markets infrastructure and data provider. Total income excluding recoveries was £8.0 billion, up 8.3% on a constant currency basis, while adjusted operating profit was £2.9 billion, up 7.9% on a constant currency basis and adjusted EPS grew 1.9%.

With over 70% of revenues recurring, we remain highly cash generative and continue to carefully manage our capital allocation. We completed a £750 million directed share buyback in Q3 and have now returned a total of £1.5 billion to shareholders via buybacks since August 2022. We have also announced plans to return £1 billion to shareholders via further share buybacks during 2024.

We have seen significant evolution in our shareholder base, with the Blackstone-led consortium making excellent progress in selling their shares to existing and new institutional investors. The Blackstone holding has reduced from over 34% to around 11% over the year.

At our Capital Markets event in November 2023, we outlined our new medium-term guidance. We expect mid to high single-digit organic revenue growth, accelerating after 2024, as customers begin to benefit from investment in our platforms and our partnership with Microsoft. We also expect our EBITDA margin to increase over time, while capital expenditure will decline to a high single-digit percentage of income. We also expect cumulative free cash flow to exceed adjusted profit after tax.

The Board is proposing a final dividend of 79.3 pence per share, representing a total dividend of 115.0 pence per share, a 7.5% increase.

Governance
The Board seeks to operate to and maintain the highest governance and ethical standards. Further detail is available in the Board's governance report from page 92.

In February 2023, Scott Guthrie joined the Board as a Non-Executive Director in connection with LSEG's strategic partnership with Microsoft. Scott's long-standing career at Microsoft, including running the Microsoft Cloud and AI Group business, and deep technology expertise provides a unique and valuable perspective to the Group as we continue to deliver on our ambition.

Erin Brown and Doug Steenland stepped down as Non-Executive Directors of the Board, following the sales of shares by the Blackstone-led consortium. I'd like to thank them both for their contributions to the Group since the acquisition of Refinitiv in 2021 and wish them all the best in their future endeavours.

In November 2023, we announced that Michel-Alain Proch had been appointed Chief Financial Officer and a member of the Board of LSEG plc. This followed Anna Manz's decision to step down in order to assume another CFO role. Anna has been a valued member of the LSEG Board and I would like to thank her for the key role she has played in the successful delivery of the Group's strategy over the last three years. I would also like to welcome Michel-Alain to the Board and look forward to working with him.

I am pleased to confirm that we meet the Parker Review recommendations, and that we meet all recommendations set out by the FTSE Women Leaders Review. Two of the four senior positions in the Company outlined in the Listing Rules are currently held by women and two of the Board's Directors are from a minority ethnic background. At the end of 2023, the Board was over 40% female, however, following Anna's departure and Michel-Alain's arrival, this will drop to below 40%.

As part of our commitment to visit one international office per year to engage with colleagues, the Board visited the Paris office to hear more from them and learn about our customers in the region.

Sustainability
As described in the Sustainability section of the Strategic Report (pages 58 to 68), LSEG has many initiatives in place to deliver our commitment to be a strategic enabler of sustainable economic growth. Given our central role in capital markets, our global footprint and presence throughout the trade lifecycle, LSEG is uniquely positioned to play a leading role in this respect.

LSEG's role in sustainability, and tackling climate change in particular, is very important to the Board, as well as the Group's shareholders, employees, customers and regulators. The Board is committed to meeting the expectations of our shareholders and other stakeholders in this regard.

We remain committed to our ambition to reach net zero by 2040 and to our Climate Transition Plan which we published in 2022, the first global exchange group to do so. Our primary near-term target is to reduce all of our operational emissions[1] by 50% by 2030, from a 2019 baseline. By the end of 2023, we had achieved a 29% reduction in these emissions (2022: 57%). Like many companies, we saw a steep reduction in our carbon emissions during the Covid-19 pandemic and emissions have naturally increased over the past two years as physical activity levels normalise. We remain well on track to achieve all of our Science-Based Target initiative (SBTi)-approved targets.

Remuneration policy
The Board and Committee believe it is essential to reset our Executive Director pay, adjusting the three core elements — salary, annual bonus, and long-term incentive provisions — to closely align the overall pay quantum with the median of our global sector peer pay. The proposed revisions to the Policy address our desire to reinforce a pay-for performance philosophy as the majority of the quantum reset is performance-based. We will continue to set stretching targets to ensure bonus and LTIP vesting is warranted only when underlying performance and shareholder value creation is strong. We are considering CEO compensation in the very specific circumstances of David Schwimmer, taking into account his outstanding past performance and strategic direction. The revised remuneration policy, as outlined from page 118, will be subject to shareholder approval at the 2024 AGM.

Summary
It has been another year of strong progress in 2023. We will continue to invest in our global talent and growing our global businesses, in partnership with our customers, to drive revenue growth and increased profitability.

On behalf of the Board, I'd like to thank our colleagues across the world for their continued commitment throughout the year. I look forward to working with the Board and LSEG's Executive Committee to achieve our strategic objectives as we transform the financial services industry.

Don Robert
Chair
28 February 2024

1 We aim to reduce operational emissions (Scope 1, Scope 2 (market based) and selected Scope 3 for FERA, business travel, home working, commuting) by 50% vs a 2019 baseline. For more information on our Climate Transition Plan and all of our climate-based targets, refer to page 63 of this report and to our 2023 Sustainability Report.

Chief Executive Officer's statement

> The breadth and depth of our offering is a true strategic differentiator. Customers recognise that because we serve them across so many different parts of their business, our relationship is not that of a typical supplier.
>
> Through investment, innovation and partnership, we will shape the future of our industry.

David Schwimmer
Chief Executive Officer

Growth in total income excluding recoveries[1]

+8.3%

2022: +5.7%

Growth in adjusted earnings per share

+1.9%

2022: +16.7%

1 Growth is on a constant currency basis.

Introduction
In 2023, we continued to deliver for our customers and shareholders despite an uncertain macroeconomic environment, with ongoing interest rate rises and recession risks impacting markets around the world. The actions that LSEG has taken to transform and diversify our business over the past three years have positioned us well to capitalise on powerful industry trends and meet the evolving needs of our customers.

How did LSEG perform in 2023?
We delivered another year of strong revenue growth, with good contributions from all of our business divisions. In Data & Analytics, we're innovating to improve our customer offering on many fronts and this helped to drive revenue growth of 7.3%[1] in 2023. Revenue benefits from higher customer satisfaction were also reflected in Annual Subscription Value growth, which reached 6.7% by the end of the year. Businesses that historically had been underperforming and losing market share, such as Trading & Banking, are now achieving consistent healthy growth, building on our deep and broad customer relationships.

Our Enterprise Data business is growing well. We are seeing strong demand for our data sets, including from investors deploying capital through AI- and quant-driven strategies. A great example of this is Tick History, our comprehensive database of historical pricing information and one of our many proprietary datasets. It gives customers access to over 87 trillion ticks of data, spanning 100 million instruments, across over 500 trading venues dating back more than 25 years of Tick History Data. By combining this with our PCAP – or Packet Capture data – we offer a very powerful subset of historical pricing information with precise, nanosecond timestamps.

We're also accelerating innovation in our Investment Solutions business, where we're going to market much faster with new index products thanks to our investment in the systems that drive the business. In Post Trade, volumes in interest rate swaps clearing and other products, as well as the expansion of our business into the uncleared space, drove total income up by 17.4%[1]. Capital Markets achieved revenue growth of 6.1%[1], largely driven by Tradeweb as the team continues to innovate while benefiting from the ongoing electronification of fixed income markets. In equities, 2023 was a poor year globally for IPOs, but looking ahead, the pipeline in 2024 is encouraging.

Our adjusted EBITDA margin was slightly lower than in 2022, reflecting investment in the Microsoft partnership, the in-year impact of acquisitions and some FX-related items. We're continuing to improve our underlying profitability and excluding these impacts, we delivered adjusted EBITDA margin expansion of 110bps in 2023.

The strong income growth we delivered, coupled with ongoing cost discipline and strong delivery of Refinitiv-related synergies, helped drive growth in our adjusted operating profit of 7.9%[1].

We're continuing to strengthen and unify the LSEG business. Our brand campaign clarifies how we show up to the market, bringing cohesion and simplicity to what was once a confusing image of over 20 branded products. At the same time, we've created a new culture focused on driving collaboration across our Group.

In December 2022, we announced an exciting strategic partnership with Microsoft and we've made excellent progress over the past year. We are beginning the rollout of new products in the first half of 2024 with a steady drumbeat of pilots, launches and ongoing enhancements developed in partnership with some of our biggest customers.

What differentiates LSEG's business?
LSEG is a truly global business with operations in over 60 countries and providing services into more than 170 countries. We span multiple asset classes and we provide services throughout the entire trade lifecycle. None of our competitors has the breadth of offering or the global reach of LSEG. This in turn, supports genuine long-term partnerships built on trust. From a financial perspective, the nature of our services, the markets we are aligned to and relationships we have, mean that the quality and visibility of our earnings are very high and not correlated to a single driver.

The breadth and depth of our offering is a true strategic differentiator. Customers recognise that because we serve them across so many different parts of their business, our relationship is not that of a typical supplier. We are a strategic partner. We are increasingly working in partnership with our customers' leadership teams to solve problems and create opportunities. We help them simplify their business, reduce their reliance on multiple other vendors and drive growth, innovation and efficiency. We have competitors in each segment, but our customers really value our breadth and the benefits that it brings them.

What are the drivers for future growth?
LSEG is operating in growing markets and the range of our products and services brings diverse revenue streams. In addition, our partnership with Microsoft means we will be able to address new markets, which will offer us additional opportunities for growth.

Other opportunities for long-term growth include expansion into new industry verticals. As well as the investment we're making with Microsoft, products in areas like Risk Intelligence have broad applications. Our expertise in data management is second to none and as companies across industries become increasingly data driven, they will look to experts to help them manage their data. We are well-positioned to play that role. In private markets, we are investing in developing a trading venue for private companies to create a funding continuum between private and public markets. We are also looking in more detail at digital markets infrastructure in partnership with Microsoft and others.

1 Growth rates are on a constant currency basis.

What are LSEG's priorities for 2024 and beyond?

In less than three years we have transformed LSEG into a leading financial markets infrastructure and data business, trebling the growth rate of the Refinitiv Data & Analytics businesses we acquired and beating the growth targets we had set, line by line. However, the real opportunity still lies in front of us. As we enter the next phase of growth, we will develop our leading businesses across the financial markets lifecycle to create seamless workflows within and across asset classes. We will provide our customers with new AI-driven insights based on our trusted and validated data, combined with straight-through execution, risk management and capital efficiency across their businesses.

Through investment, innovation and partnership we will shape the future of our industry. We expect growth to accelerate over the medium term. Margins will expand and our strong cash generation will further improve, creating opportunities for reinvestment in growth and continued shareholder returns. We will build on our differentiated customer proposition to affirm our position as the partner of choice across the financial markets value chain.

Throughout this process, our people will be central to our success. Our corporate values of *integrity, partnership, excellence and change* form the basis for how we approach everything we do and encourage an inclusive culture that values a range of perspectives and embraces diversity of every kind. On behalf of the Executive Committee, I would like to thank all our people for their hard work and commitment in delivering another year of transformation for LSEG.

David Schwimmer
Chief Executive Officer
28 February 2024

Executive management team

Day-to-day management of the Group is led by the CEO David Schwimmer, supported by the Executive Committee. The team meets regularly to review a wide range of business matters, including financial performance, investment and projects, corporate culture, development and implementation of strategy, and setting and monitoring of performance targets.

Profiles of the Executive team are provided as at January 2024. For further information on David Schwimmer, as well as our outgoing CFO, Anna Manz and our incoming CFO, Michel-Alain Proch, who are also members of the Board of Directors, see our Board of Directors overview on pages 94 to 97.

Changes to the Executive Committee

Tim Jones left LSEG in January 2023 and was replaced on the Executive Committee by our new Chief People Officer, Erica Bourne.

Ron Lefferts joined the Executive Committee in April 2023.

Satvinder Singh joined LSEG as Head of Data & Analytics in July 2023, at which time he also joined the Executive Committee.

Brigitte Trafford left LSEG in December 2023.

Upon his retirement, Anthony McCarthy was replaced on the Executive Committee by our new Chief Information Officer, Irfan Hussain, in January 2024.

Anna Manz will leave LSEG on 29 February 2024 and will be replaced on the Executive Committee by our new CFO, Michel-Alain Proch.

In January 2024, David Shalders announced that he would be leaving LSEG during 2024.

Appointment of a new Chief Financial Officer

In May 2023, Anna Manz announced she would be leaving LSEG to take the CFO role at Nestlé.

Michel-Alain Proch joined LSEG as CFO on 26 February 2024 and becomes CFO and Executive Director on 1 March 2024. Previously, Michel-Alain was Group CFO of Publicis Groupe SA where he led the global finance team across 100 countries.

Michel-Alain Proch
Group Chief Financial Officer-designate

For more information on our CEO and CFO, refer to our of Board of Directors' profiles on pages 94 to 97.

Executive management team left to right

David Schwimmer
Group Chief Executive Officer
Joined LSEG in 2018

Irfan Hussain
Chief Information Officer
Joined LSEG in January 2024

Irfan leads LSEG's technology team, driving innovation in global financial markets. In a 28-year career at Goldman Sachs, Irfan held many senior positions including, most recently, Chief Operating & Strategy Officer in the Engineering division.

David Shalders
Chief Operating Officer and Head of Integration
Joined LSEG in 2019. Due to leave LSEG at the end of 2024.

David oversees operational activities at LSEG and was responsible for the integration of Refinitiv. Previously Group Operations and Technology Director at Willis Towers Watson, David also spent 19 years at RBS in a number of senior operations and technology roles.

Anna Manz
Group Chief Financial Officer (outgoing)
Joined LSEG in 2020, and will leave on 29 February 2024.

Satvinder Singh
Head of Data & Analytics
Joined LSEG on 3 July 2023

Satvinder leads LSEG's Data & Analytics division, serving over 45,000 customers globally. He has over 28 years of experience leading global businesses in data and analytics, capital markets, post trade services, payments and technology.

Daniel Maguire
Head of Post Trade, CEO, LCH Group & Chief Strategy Officer
Joined LCH in 2008

Daniel has 24 years of experience in risk and default management, product management and regulatory strategy, with over 20 years spent at LSEG. As well as heading up Post Trade, Daniel assumed the role of Chief Strategy Officer in 2023.

Murray Roos
Head of Capital Markets
Joined LSEG in 2020

Murray oversees LSEG's Equities, FX and Fixed Income divisions and has 26 years' experience in developed and emerging markets, including Executive roles at Citigroup and Deutsche Bank.

Balbir Bakhshi
Chief Risk Officer
Joined LSEG in 2021

With 29 years of experience at global financial institutions, Balbir oversees risk management at LSEG, including risk identification and mitigation. Previously Head of Non-Financial Risk Management at Deutsche Bank.

Ron Lefferts
Head of Sales & Account Management
Joined LSEG in January 2021

Ron leads LSEG's global sales team to drive the growth of our products and solutions. Ron's 25 years of experience include senior leadership roles with IBM and, most recently, Global Leader of Technology Consulting at Protiviti.

Erica Bourne
Chief People Officer
Joined LSEG in January 2023

As CPO, Erica leads LSEG's HR policies and programmes. With 15 years of experience, Erica has held a number of leadership and executive roles across technology, consulting and financial services and previously led the People function at Burberry Group.

Catherine Johnson
General Counsel
Joined LSEG in 1996

Catherine manages a global team of lawyers and compliance professionals, advising the Board and senior executives on key legal and compliance issues and strategic initiatives. Catherine qualified as a lawyer in 1993 and has held a number of senior roles in her career at LSEG.

A compelling investment story

With market-leading positions built on trusted partnerships and orientated to attractive long-term trends, and a highly cash-generative and visible financial model, LSEG offers a compelling investment story.

What differentiates our business for our customers...

We are globally essential

— We provide services in more than 170 countries, with operations in over 60.
— Many of our competitors are heavily focused on single markets or regions.

We are multi-asset class, with leading market positions

— We have leading data, trading and clearing franchises in equities, foreign exchange and fixed income.
— We also have a growing presence in commodities and derivatives, and are investing to grow in private markets and digital assets.

We are seamlessly connected, operating across the trade lifecycle

— We are leaders in pre-trade research, counterparty risk management, execution, benchmarking and clearing.
— We are increasingly building connections between our businesses, developing innovative new services and improving workflow for our customers.

We are a trusted, long-term partner

— The depth, breadth and quality of our data is deeply trusted to power the processes of major institutions globally.
— We operate and grow a number of key platforms that were once owned and developed by our customers – for example The London Stock Exchange, London Clearing House and Tradeweb.
— We are open – customers can easily combine our data with theirs, or access third-party platforms through us.

For more information on our business model – refer to pages 04 to 07.

Find out more about our products and services in our divisional reviews on pages 34 to 41.

Countries we serve

170+

Countries where we operate

60+

...is also good for our shareholders

We operate in growing markets and have diverse revenue streams
- All of our addressable markets have a healthy growth profile – at least mid-single digit % growth or better.
- Through the Microsoft partnership we can address new markets offering significant additional growth opportunities.
- Our revenue is diversified by product, market and customer – with our top 250 customers only accounting for c.55% of revenue.

Our revenue is high quality and high visibility
- 72% of our revenue is subscription-based and benefits from long-term customer relationships. Our services are vital to our customers' businesses.
- Our transactional revenue, which comes mainly from Tradeweb and Post Trade, is very high quality – with strong existing positions and long-term growth drivers.
- Post Trade total income CAGR was 10% 2019-2023 and Tradeweb's revenue CAGR was 15%.

We generate uncorrelated growth
- We are not over-exposed to any single macroeconomic or industry measure – be it GDP growth, debt issuance, volatility or equity markets performance.
- We have achieved consistent mid to high single digit organic revenue growth since 2018 despite significant and unforeseen factors – including the Covid-19 pandemic, the Russia/Ukraine War and the rapid increase in inflation and interest rates.

Our cash generation is strong and we have reinvested for growth successfully
- We generated £1.8 billion of free cash flow in 2023, and expect our cumulative free cash flow to exceed net income over the medium term.
- This allows us to invest in organic growth, grow the dividend, fund M&A and return excess capital to shareholders.
- Our AEPS and dividend CAGRs over the last 20 years have been 15% and 18% respectively.

Subscription-based revenue

72%

Equity free cash flow generated in 2023

£1.8bn

Partnering to transform our industry: Microsoft

Satvinder Singh (left) and Nick Parker (President, Industry and Partnerships, Microsoft) taking questions at a recent event between LSEG and Microsoft that took place at our offices in London.

The event brought together over 500 employees from across the two firms for a series of workshops, presentations and product development discussions.

Partnering with Microsoft to revolutionise workflows for financial markets participants

Partnering to transform the financial services industry

In December 2022, we launched a 10-year partnership with Microsoft to deliver next-generation data, analytics and cloud infrastructure solutions that will change the way financial markets participants interact, collaborate and derive insight. By integrating Workspace with Microsoft's productivity suite, we will deliver an enhanced workflow experience that offers seamless Microsoft Teams communication and Microsoft 365 interoperability with built-in compliance. Plus, with Microsoft's cutting-edge generative AI technology and by migrating our data platform and other key technology infrastructure to the Microsoft Azure environment, we will make it easier for our customers to discover, manage, share and analyse petabytes of unstructured data.

A meaningful growth opportunity

Today, we estimate that our Data & Analytics total addressable market (TAM) stands at around £35 billion. However, this only represents spend on third-party providers and is under half of the market's total outlay on data and analytics. There is a further c.£50 billion of spend that is currently taken in-house to perform manual activities such as cleaning, validating and storing data, and we hear a clear message from our customers that they want to outsource these activities. By combining our data management expertise with Microsoft's cloud infrastructure and suite of AI applications, we're positioning ourselves to address this incremental TAM. Over time, we expect the partnership will meaningfully increase revenue growth for LSEG.

Delivering ahead of schedule

We have hundreds of people working across the partnership to build these products and through our Design Partner Programme, we are working alongside some of our largest customers to understand their desires and pain points, ensuring these are factored into key product development decisions. We are making excellent progress and we now expect that the first solutions will become available in the first half of 2024 – ahead of our original expectations. Solutions will initially be made available through pilot programmes – starting with some productivity tools and O365 interoperability – before a steady drumbeat of updates begins to hit the market.

Potential data management TAM, currently taken in-house

c.£50bn

First products due to launch ahead of schedule in

H1 2024

> LSEG's datasets and analytics products, as well as the deep partnerships and trust they have established across the financial services industry, is unique.
>
> The combination of LSEG's data platform and Microsoft's AI capabilities will unlock tremendous new potential for our customers.

Scott Guthrie
Executive Vice President, Cloud and AI Group, Microsoft
LSEG Board Member

> Our partnership with Microsoft is one of the many reasons I'm excited about the future for Data & Analytics.
>
> We are co-innovating solutions that will transform the financial services industry. Using our collective strengths, we will change how our customers discover and experience our trusted breadth and depth of data. We will deliver clear value to customers by helping them do more: quickly and simply, and across a much broader addressable market.

Satvinder Singh
Head of Data & Analytics, LSEG

Key performance indicators

2023 Financial KPIs

We are focused on delivering consistently strong financial performance and achieving the targets we have set.

These core financial KPIs demonstrate the value we are delivering for both our customers and shareholders and they show that our strategy is working.

These KPIs align to our Group Strategic Objectives (GSOs) which help determine Executive Director remuneration and performance-related pay for all employees. Further detail on the GSO performance assessment can be found in our Directors' Remuneration Report on pages 139 to 141.

Total income growth[1]

Definition
Income growth, independent of FX movements.

Why this is important for LSEG
Income growth is a key measure of our success since we operate in growing markets and aim to hold or grow market share. For 2023, we guided to total income growth (excluding recoveries) of 6-8%, excluding new M&A.

Going forward, we expect to deliver mid to high single-digit organic income growth, accelerating after 2024.

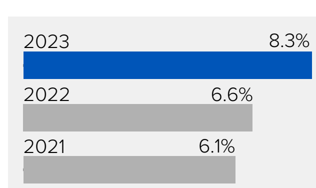
Analysis
We delivered total income growth[1] of 8.3% in 2023. Excluding the impact of the Acadia acquisition, we delivered growth of 7.7%, towards the upper end of our 6-8% guidance range.

All divisions contributed to this growth. We continued improving product retention in Data & Analytics by investing in and expanding our content and capabilities, also realising a higher price review in 2023. In Post Trade, uncertainty around global interest rates drove robust client clearing activity at SwapClear and we translated this into strong growth. In Capital Markets, Tradeweb continued to innovate and drive expansion in international markets, as structural electronification tailwinds persist.

Total income growth[1]

+8.3%

2022: +6.6%[2]



Link to strategic objectives
This KPI aligns to our Growth objective, to drive sustainable value creation and accelerate growth; and support delivery of transformational growth.

Annualised Subscription Value (ASV) growth

Definition
A point in time measure of our book of recurring contracts vs 12 months ago.

Why this is important for LSEG
>70% of our revenues are subscription-based with a high degree of visibility. ASV growth measures the year-on-year growth of that recurring book of business at a point in time. ASV growth should act as a leading indicator for subscription revenue growth and has three key drivers: retention, new sales and price increases.

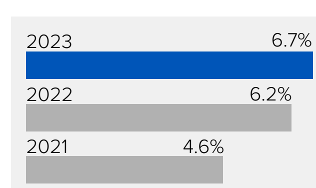
Analysis
Our year-end ASV growth of 6.7% represents an acceleration of 370bps since the acquisition of Refinitiv. This reflects the significant progress we have made strengthening our offering through a combination of: better execution, a greater focus on our customers and targeted investment in our products and services.

In 2023, we delivered approximately 100bps of incremental ASV growth through higher price reviews. On the whole, we had positive price review conversations with our customers as the incremental value we have added to our offering is recognised.

ASV growth

+6.7%

2022: +6.2%[2]



Link to strategic objectives
ASV growth aligns to our Growth objective, indicating the rate of expansion of our subscriptions book.

1 Constant currency income growth, excluding recoveries.
2 2022 growth excludes the impact of the Russia/Ukraine War.
3 For more information on the criteria that constitute non-underlying items, see page 181.
4 Our 2023 EBITDA margin guidance of "around 48%" was set on the basis of a £1 = $1.21 exchange rate and excluded any impact of the Acadia acquisition. For more information, refer to page 49 of our Financial Review.

Adjusted EBITDA margin

Definition
EBITDA – excluding non-underlying items[3] – over total income (excluding recoveries).

Why this is important for LSEG
We are building a more efficient, scalable business and expanding underlying profitability over time. Excluding FX impacts related items we had guided to an EBITDA margin of around 48% in 2023. Longer term, we expect to increase our EBITDA margin over time.

Analysis
We delivered a 2023 adjusted EBITDA margin of 47.2%, with the year-on-year decline of 60bps primarily reflecting the full-year impact of recent acquisitions, costs relating to development of products with Microsoft and FX-related items.

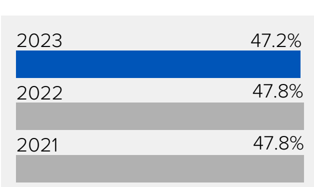
Excluding FX-related items, we delivered an adjusted EBITDA margin of 47.7% (2022: 46.9%). We drove this underlying expansion through continued improvements in efficiency and scalability, in particular through modernisation of the infrastructure that supports our Data & Analytics offering.

Excluding Acadia and movements in FX rates, our EBITDA margin was in line with guidance[4].

Adjusted EBITDA margin

47.2%

2022: 47.8%



Link to strategic objectives
Expansion of our EBITDA margin is driven by income growth (Growth objective) and cost efficiencies (Efficiency objective).

Adjusted earnings per share

Definition
Earnings per share, adjusted to remove any non-underlying items.[3]

Why this is important for LSEG
A key financial metric that is both central to our valuation and a significant element of employees' performance-related remuneration. Growth in our AEPS reflects our degree of success in driving strong top-line performance, as well as managing costs including tax and interest, and capital allocation.

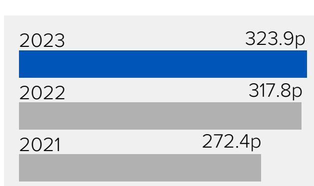
Analysis
Adjusted earnings per share (AEPS) from continuing operations was 323.9 pence. The 1.9% increase in AEPS year-on-year reflected growth in underlying profitability, partly offset by higher net finance expense due to additional interest expenses on floating rate borrowing and growth in depreciation which reflected our ongoing investment in the business and delivery of our synergy programmes.

Our adjusted effective tax rate was a little higher year-on-year, principally driven by the impact of a higher UK corporate tax rate from 1 April 2023. Share buybacks also reduced the average share count in 2023, which acted as a tailwind for AEPS.

Adjusted earnings per share

323.9p

2022: 317.8p



Link to strategic objectives
Earnings per share growth is driven by income growth (Growth objective) and cost efficiencies (Efficiency objective).

Runrate revenue synergies

Definition
Annual incremental revenue delivered through synergies from the Refinitiv integration.

Why this is important for LSEG
By harnessing Refinitiv data to build new products and through cross-sell and distribution opportunities, we are demonstrating the value generated by the Refinitiv acquisition. In March 2023, we raised our target for runrate revenue synergies from £225 million to £350-400 million by the end of 2025, incurring £550-600 million in costs to achieve.

Analysis
By the end of 2023, we had delivered £158 million of runrate revenue synergies, exceeding our target to double the 2022 year-end figure of £68 million.

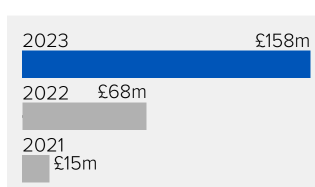
We have continued delivering synergies against three key categories. We're cross-selling data products to new customers, such as the underlying pricing data behind FTSE Russell indices; enhancing existing products, for example by delivering enhanced analytics through Workspace; and utilising our data to build new products. We launched 72 synergy-related products in 2023.

We have also launched our ecommerce platform, which we expect to deliver synergies through new sales.

Annual runrate revenue synergies

£158m

2022: £68m



Link to strategic objectives
Revenue synergies contribute to income growth, so this KPI aligns to our Growth objective.

Runrate cost synergies

Definition
Annual incremental cost savings delivered as a result of synergies from the Refinitiv integration.

Why this is important for LSEG
By successfully delivering against our cost synergy programme, we are demonstrating that the integration of Refinitiv has helped us build a more streamlined and efficient Group. In 2022, we increased our target from £350 million to at least £400 million of runrate cost synergies by the end of 2025.

Analysis
By the end of 2023, we had delivered £442 million of runrate cost synergies, surpassing our £400 million target two years ahead of schedule. To date, we have incurred total costs to achieve these synergies of £564 million, though there are a few more synergies to deliver in 2025 to close out the programme.

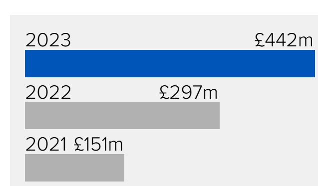
We primarily delivered these savings by consolidating our property footprint, closing data centres, renegotiating supplier agreements and deduplicating roles where appropriate.

Even though the Refinitiv cost synergy programme is now largely complete, we will continue to deliver cost efficiencies as we improve profitability further.

Annual runrate cost synergies

£442m

2022: £297m



Link to strategic objectives
Cost synergies help us to manage our expenses, so achievement against this KPI aligns to our Efficiency objective.

2023 Non-Financial KPIs

At LSEG, we're committed to creating an environment where diverse talent can thrive, and to driving the growth of a green and sustainable economy.

These five core non-financial KPIs measure our progress, but also help us highlight the areas where we can still improve.

These KPIs align to our Group Strategic Objectives (GSOs) which help determine Executive Director remuneration and performance-related pay for all employees. Further detail on the GSO performance assessment can be found in our Directors' Remuneration Report on pages 139 to 141.

For more detail on LSEG's sustainability targets, including Equity, Diversity & Inclusion targets, refer to pages 58 to 68.

Engagement index

Definition
Our engagement index reflects employee satisfaction, specifically the likelihood that colleagues would recommend LSEG as a great place to work.

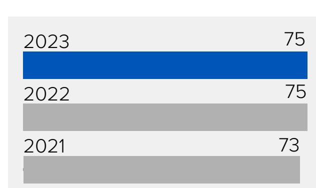
Why this is important for LSEG
We recognise the importance of establishing a diverse, inclusive workplace where opinions can be openly shared, contributions recognised and individual and team achievements celebrated.

Analysis
We saw stronger participation in this year's Group-wide engagement survey, LSEG Engage, with 88% of colleagues taking part. The results showed engagement remained at the high levels seen in 2022, with a score of 75 (out of 100). The survey showed an improvement in our colleagues' understanding of LSEG's strategy, opportunities to learn and develop and support from their people leaders. Going forward, we need to continue addressing barriers to execution to better enable our employees. See page 24 of our 2023 Sustainability Report[1] for more information on the actions we are taking.

LSEG Engage engagement index

75

2022: 75



Link to strategic objectives
This KPI aligns to our Culture objective: to cultivate leadership capability and embed values to foster a diverse and inclusive culture.

Gender diversity in leadership[2]

Definition
The proportion of female representation in senior leadership roles.

Why this is important for LSEG
We strongly believe in promoting diverse gender representation across our organisation, ensuring we provide equal opportunity to progress to leadership roles, regardless of gender. We are committed to building a leadership team that incorporates a broad range of perspectives and management styles in order to make LSEG a better business.

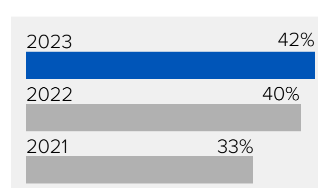
Analysis
In 2023, we were proud to continue increasing female representation at senior leadership level to 42%. Our goal now is to maintain this level of representation above a minimum level of 40% over the next four-year period to 2027.

One of the key elements to our philosophy on diversity is to create equitable and inclusive processes that enable the attraction, retention and promotion of a global diverse pipeline of talent and this will remain an important area of focus going forward.

Female rep at senior leadership

42%

2022: 40%



Link to strategic objectives
Promoting diversity aligns to our Culture objective.

1 Our 2023 Sustainability Report can be found on our website at www.lseg.com/en/sustainability-strategy/disclosures-and-reports.

2 We have developed a new methodology to help us review our Equity, Diversity & Inclusion goals to ensure that they remain relevant and appropriate. More details can be found on page 61. LSEG collects ethnicity and gender data from our executive management and company board based on individual's voluntary self-disclosure and their consent for the use of this data in company reporting. All company board and executive management gender data is collected on a global basis. Global ethnicity representation only includes colleagues based in countries where we collect ethnicity information.

3 The Green Economy Mark recognises London-listed companies and funds that derive more than 50% of their revenues from products and services that are contributing to environmental objectives such as climate change mitigation and adaptation, waste and pollution reduction and the circular economy.

4 Reduction of Scope 1, Scope 2 (market based) and selected Scope 3 (business travel, home working , commuting, FERA) emissions vs a 2019 baseline. For 2023 reporting, we have expanded this metric to apply to all of the emissions within scope of our Climate Transition Plan (CTP). For more information on our CTP, refer to pages 63 and 64.

Ethnic diversity in leadership[2]

Definition
The proportion of ethnically diverse representation in senior leadership roles.

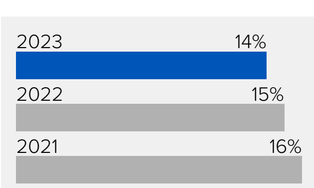
Why this is important for LSEG
We are committed to building a richly diverse team of leaders, recognising exceptional talent from a wide range of different backgrounds. This enables us to foster an environment where a blend of different perspectives goes into making the most important decisions for our business.

Analysis
With respect to underrepresented ethnic and racial groups, we did not achieve our goal of 20% representation within the leadership community, reaching 14% by the end of 2023. However, we remain firmly focused on closing this gap through a range of measures. We are continuing to grow the global Leadership Development programmes that we launched in 2022 (eg Illuminate – targeted towards black and Latinx colleagues – and APAC Accelerator) and we introduced inclusive hiring training for all people leaders in 2023. Our revised goal is to ensure 25% of senior leadership roles are held by those from underrepresented groups by 2027.

Minority rep at senior leadership

14%

2022: 15%



Link to strategic objectives
Promoting diversity aligns to our Culture objective.

Sustainable issuers

Definition
The total number of issuers across the Green Economy Mark[3], the Sustainable Bond Market and the Voluntary Carbon Market.

Why this is important for LSEG
Stimulating the green economy is central to our purpose. We can measure the progress we are making here by tracking the overall level of issuer engagement in sustainable finance across the London Stock Exchange, with the goal of growing the number of issuers over time.

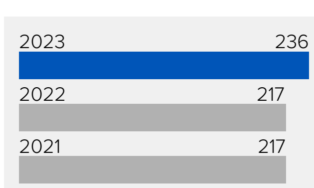
Analysis
In 2023, we continued to facilitate increasing sustainable investment and growth in the green economy. As at the end of the year, we have 236 total issuers across our Sustainable Bond Market and Voluntary Carbon Market or that proudly display the Green Economy Mark[2], (2022: 217). In total, £232 billion has now been raised on our Sustainable Bond Market since inception.

FTSE Russell has also launched the UK ESG-Risk Adjusted Index Series and the FTSE Fixed Income EU Climate Benchmarks series to help investors integrate sustainability into their investment strategies.

Number of sustainable issuers

236

2022: 217



Link to strategic objectives
This KPI aligns to our Sustainability objective: to support the Group's ambition to establish LSEG as a strategic enabler of sustainable economic growth.

Carbon emissions[4]

Definition
The change in the amount of carbon emissions we produce as a direct result of Group activities, relative to our 2019 baseline.

Why this is important for LSEG
We are a member of the United Nations Climate Change 'Race to Zero' and we have set science-based targets to reduce our carbon emissions with an ambition of reaching net zero by 2040. We aim to halve our operational emissions by 2030 from a 2019 baseline.

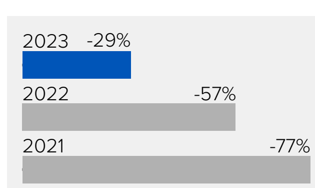
Analysis
By the end of 2023, we had reduced our carbon emissions (Scope 1, Scope 2 (market based) and selected Scope 3) by -29% from a 2019 baseline.

Like many companies, we saw a steep reduction in our carbon emissions in 2020 and 2021, driven in large part by lockdowns and travel restrictions implemented as a result of the Covid-19 pandemic. As we have emerged from the pandemic and as the Group continues to grow, emissions have naturally increased, but we remain fully committed to our target to halve these emissions vs a 2019 baseline by 2030.

Reduction of Scope 1, 2, 3 (FERA)[4]

-29%

2022: -57%



Link to strategic objectives
This KPI aligns to our Sustainability objective.

Partnering to transform our industry: BlackRock

Left
Satvinder Singh
Head of Data & Analytics
LSEG

Right
Joseph Chalom
Managing Director
BlackRock

We meet with BlackRock regularly, in order to keep up to date on progress and opportunities across our respective firms.

Left
Dmitri Sedov
Head of Data Intelligence
LSEG

Right
Cornelia Andersson
Head of Sustainable Finance & Investment, Data & Analytics
LSEG

In the meeting pictured here, BlackRock and LSEG's data intelligence and sustainability teams come together to discuss business strategies and roadmaps for the upcoming year.

Unlocking new potential with BlackRock and other channel partners

A strategic partner to data and workflow providers
Although we often supply our data and analytics services to customers directly, we can also reach a significantly broader market by working with third-party data and workflow providers to help power their offerings. This is particularly relevant in the asset management industry, where there is a major structural trend towards the adoption of centralised enterprise technology platforms, such as Portfolio Management systems (PMS) and Enterprise Data Management (EDM) platforms. These platforms centralise many important, complex trading and investment operations and give management a better overarching view of their business. Naturally, they rely on the redistribution of high-quality content and that is where LSEG can be a trusted partner.

Powering BlackRock's workflow and ETF offering
One such example is BlackRock's Aladdin, which has become the industry leader in the PMS space, combining sophisticated risk analytics with comprehensive portfolio management tools to power end-to-end workflows for over 100,000 investment professionals globally. LSEG is a key partner in the Aladdin ecosystem, and is the preferred data source for Fixed Income, Equity and public reference data. Meanwhile, BlackRock's iShares suite has been a leader in the ETF marketplace for over 20 years. Through FTSE Russell, LSEG partners with BlackRock to help drive growth, providing key benchmarks, indices and ETFs. Today, there is over $430 billion in AUM tied to over 125 FTSE Russell products that help power the iShares suite.

Significant expansion potential
Third-party data distribution is a growing source of revenue for us, in particular because of the breadth of content and services that we're now able to offer as a combined group. Historically, we have only maintained a handful of these partnerships with a small number of global providers. However, as we build out a cloud-based data architecture that lends itself more to redistribution, we'll be looking to create many more of these relationships to power a growing number of partner applications worldwide.

LSEG is the preferred data source for Fixed Income, Equity and public reference data in Aladdin

No.1

AUM tied to FTSE Russell products through iShares

>$430bn

> We've built a true working model strategically aligning across the two firms and having our teams work together to create a shared roadmap of innovation and new product development for the benefit of our mutual clients.
>
> We believe that the future of investment management and the future of technology are highly aligned, and our collaboration with LSEG is a core component of how we will ultimately deliver for client needs.

Sudhir Nair
Head of Aladdin, BlackRock

Our purpose and strategy

Our purpose

LSEG is a key participant in the global economy as a leading financial markets infrastructure and data provider.

Our purpose is driving financial stability, empowering economies and enabling customers to create sustainable growth.

We drive financial stability

...by operating businesses that are of systemic importance, fundamental to the financial ecosystem and critical to our customers.

We empower economies

...by helping our customers to raise capital, support employment, innovate and access global financial networks, across multiple asset classes.

We enable customers to create sustainable growth

...by providing the tools and data that enable financial markets to manage risk and make informed investment decisions.

This purpose underpins everything we do and sets the foundation for our strategy, our operations and our culture.

Our strategy

LSEG's long-term strategy builds on our strengths as a Group. We are investing in solutions and services that can adapt and scale in evolving global financial markets, often driving that evolution ourselves.

1 Globally essential

A global player that provides critical infrastructure and insight to customers, required for the efficient running of financial markets. We deliver value to customers in all the major economies of the world.

Why is this important?
Our customers and their demands are increasingly borderless and complex. Our global coverage and comprehensive offering underpins our customers' critical workflows and supports the allocation of capital across international financial markets.

Case study
Our global customer base, critical infrastructure and regulatory footprint
We are truly a global business, providing services to over 45,000 customers in over 170 countries, with differentiated engagement models tailored to support their needs. These customers include 100 of the top 100 global banks and 78 of the top 100 asset managers, with more than 400,000 end users. We provide solutions (many of which are highly regulated) that solve business critical issues for our customers, as we seek to create safer, more efficient and more liquid markets, and to reduce risk. As a result, we are overseen by regulators across the globe, and have built deep, long-standing relationships with these regulators. This allows us to better support our customers as they navigate complex regulatory environments and ever-changing requirements.

End users

>400k

2 Multi-asset class

A leader across traditional and emerging asset classes, in both public and private markets. We provide liquidity and asset-class agnostic insight for our customers across the world.

Why is this important?
Trading and investment strategies are incorporating a greater mix of asset classes, broadening the data and information required to manage portfolios and execute transactions. The extent of our coverage in both established and emerging asset classes creates value for our customers by simplifying workflows and critical processes.

Case study
Scope of asset class coverage within FTSE Russell
We are a world-class provider of benchmark and index solutions, serving customers throughout the investment ecosystem. We provide globally recognised indices across several asset classes, including Equities, FX, Fixed Income, Sustainable Investment and Digital Assets. We are continuing to invest in our established asset classes, while leveraging our expertise from across the Group to selectively explore new asset classes – for example, our in private markets and in digital asset clearing.

Number of new indices delivered in 2023

1,951

3 Seamlessly connected

A trusted partner for customers, enabling connectivity across the financial markets value chain. We provide access to open platforms and venues which integrate seamlessly across the workflows that matter, from pre-trade decision-making, to trade execution and clearing.

Why is this important?
Financial markets continue to evolve. The adoption of new technologies and changes in regulation impact the complexity and scope of our customers' needs. By providing integrated solutions across the value chain, we are building deeper customer relationships and working in partnership to help customers address this complexity in a way that few other providers can.

Case study
NDF Trading and Clearing
Our new NDF Matching platform combines LSEG's capabilities across our three divisions; a Central Limit Order Book (CLOB) for FX trading via LSEG Workspace that is fully integrated with LCH ForexClear. This delivers multiple benefits for our clients, including a genuine all-to-all market, improved transparency via a "cleared price" for the market, margin saving and capital benefits, safer and more accurate credit management and simpler administration. Hosting the venue in Singapore, brings customers latency improvements, leading to improved access to liquidity and delivery of the trading GUI in Workspace. We are delivering a more connected and efficient FX workflow for our clients via integration with LSEG's capabilities in Data & Analytics. For more information on this and other initiatives in our Capital Markets division, see pages 38 and 39.

Improved latency speed by a factor of

10

Our progress in 2023

Improving execution

Continuing delivery of Group Strategic Programmes

We are moving from integration to transformation with greater focus on growth, scaling our platforms and delivering customer outcomes. We have made steady progress across our transformation agenda: migrating customers to our strategic platforms, e.g. Workspace and Real-Time Optimised, improving order management, modernising our network and reducing time to market for the creation of new indices.

Progressing on resilience and cyber security initiatives

We continue to invest in the resiliency and security of our products and infrastructure, ensuring we uphold our duty to provide stability to the global financial ecosystem. This is embedded in our risk culture and reflective of our deep market infrastructure heritage. Our investment in resilience has seen technology key risk events reduce by ~58% in the last two years. It remains a key priority to minimise these events, such as the outages on the London Stock Exchange in 2023.

Delivering on the Sales Transformation journey

We have introduced a new solution selling team and targeted sales specialists for our high-touch customers, alongside actively developing our ecommerce strategy for our low-touch customers. Our account teams' active engagement has resulted in 74%[1] of customers connecting with us on new products and services, among whom we see better product satisfaction (+11pp)[2] and higher likelihood to recommend (+73pp)[3].

Embedding a high-performance culture

We created and launched new LSEG values to underpin our purpose and outline how we work with our customers, partners and together. Our senior leaders participate in masterclasses on high-performance, and our career navigator tool, launched globally this year, empowers development and progression. With refreshed EDI ambitions, priorities and practices, we are building belonging and inspiring our people to perform at their best.

Improving the customer experience

We have invested in and simplified our Data & Analytics offering, consolidating our product portfolio into integrated workflow solutions and moving from over 30+ legacy desktop variants down to just a handful for Workspace. Customer satisfaction scores have increased across a range of metrics including "powerful analytics" (+11pp)[4], "ease of sharing news/analysis" (+13pp)[4] and "functionality across multiple devices" (+11pp)[4].

% of customers who have discussed new or existing product features, functionality or content in the last 12 months

74%[1]

1 Covers top 250 customers and managed accounts, i.e. customers who are serviced on a 1:1 basis who have had contact with their account teams (Jan 2023 to Dec 2023).
2 % of customers who returned 9 or 10 (out of 10) for product satisfaction (customers who have had a discussion with their account team vs those who have not). As at Dec 2023.
3 % of customers who returned a 9 or 10 (out of 10) for our NPS question (customers who have had a discussion with their account team vs those who have not). As at Dec 2023.
4 % of Trading & Banking users who gave a 9 or 10 rating (out of 10) against the specified metrics (Workspace vs Eikon). As at Jun 2023.

Investing in better products

Deploying Workspace across the Data & Analytics business

We have made significant improvements to our Workspace offering, integrating key customer workflow solutions including Advanced Dealing, TORA and SDC Platinum. We have also sent Eikon end of life letters to our customers, notifying them of the sunsetting of Eikon in 2025.

Unlocking business growth by investing in technology

We are investing in the infrastructure of our world-class indices business through an index refactoring programme (IRF) and automation to facilitate speed to market and meet market demands for customisation. We are also enhancing our distribution capabilities to enable our customers to receive data in the way that best meets their needs (API and cloud solutions).

Partnering with customers to develop "next-gen" products

We launched our Design Partner Programme (DPP), where together with Microsoft we are collaborating with some of our largest customers to design and build products which address their pain points and support their key workflows.

Pivoting toward agile commercial models to support shift to cloud

For some of our largest customers we are replacing product-level agreements with enterprise-wide agreements, creating cost benefits for them, whilst driving value for both our customers and LSEG. See page 33 for more on how this is coming to life with one of our largest strategic partners, HSBC.

Sunsetting Eikon in

2025

Harnessing our integrated offering to create value greater than the "sum of the parts"

Driving value creation through aligned user experience

We have simplified our global branding, making it easier for our customers to discover and access the full range of capabilities that we offer through improved awareness. This involved retiring our Refinitiv brand and creating six new sub brands: LSEG Data & Analytics; LSEG Risk Intelligence; FTSE Russell; London Stock Exchange; LSEG FX; and LSEG Post Trade. This unification of branding will allow us to better cross-sell across our customer base and create more holistic, deeper client relationships.

Executing on the LSEG Microsoft Partnership, enabling new growth and scale

We have made excellent progress in mobilising our people to work effectively in cross-firm teams with Microsoft and to build innovative products together. We expect that our first solutions will become available in the first half of 2024. For more information on our partnership with Microsoft, see page 19.

Exploring innovation in high growth areas

We announced our ambition to be the first global exchange group to deliver a seamless funding continuum, by supporting private and public markets through a globally connected market infrastructure and being a trusted partner in providing access to data and insights. This year, we have focused on two key aspects: 1) our continuing partnership with fintech Floww to establish our presence in the private markets space; and 2) our work towards the creation of a new market under UK regulation that makes it easier for private companies to raise funding.

New unified LSEG sub brands

6

Evolving priorities for 2024 and beyond

We continue to be well positioned to capitalise on the strong underlying growth drivers of our business.

In 2024, our priorities will evolve as we continue our transformation and start to realise the opportunities created by it:

Executing on the transformation

To execute on the transformation, we are focused on the continued delivery of our Group Strategic Programmes, including upgrading our tech platforms and the progression of our cloud migration. As our sales transformation journey continues to take shape in 2024, we are also transforming the organisational and operational structure of our Data & Analytics businesses, separating out FTSE Russell and Risk Intelligence. Underlying all this Group-wide change is a continued focus on ensuring cost and capital discipline.

Monetising the integrated business

We are focused on the delivery of our commercial transformation and continued price realisation of our integrated business, whilst continuing to unify and improve the customer experience. We are bringing together our FX capabilities across pre-trade, at-trade and post-trade in a more connected and seamless offering for customers, all under the LSEG FX brand. We are institutionalising this ‘One LSEG’ approach across other asset classes and focusing on driving synergies with Tradeweb through continued collaboration.

Launching new products and creating new markets

Across the Group we are constantly looking for areas where we can create new products and services. Through our partnership with Microsoft we have three strategic initiatives in Workspace, Analytics and Data Intelligence, enabling product development within these areas. Moreover, in 2024 our vision for Post Trade Solutions will start to come to life, helping customers drive down cost of capital and trading. We are expanding our presence in private markets, and building asset-agnostic, interoperable, digital market infrastructure to drive efficiencies across the trade lifecycle.

> Our strategy is clear as we look ahead to the next phase of our transformation in 2024 and beyond. We will continue to put our customers at the centre of how we grow, partnering with them to create innovative products and services, allowing us to make more possible together.
>
> There is still work to do, but through the actions we have taken we are now well positioned to deliver sustainable growth into the future, unlocking exciting opportunities in partnership with our customers to create shared value.

Daniel Maguire
Head of Post Trade, CEO, LCH Group & Chief Strategy Officer

Partnering to transform our industry: HSBC

Here, members of LSEG's Strategic Accounts sales team and HSBC's Chief Data Office discuss areas for further partnership...

...including driving productivity gains for the bank's front line staff through the Microsoft Design Partner Programme.

Co-creating value with customers like HSBC

A strategic partner to our customers

Since the acquisition of Refinitiv, we have spent three years building a global, seamless, multi-asset class offering that spans the trade lifecycle end-to-end. With the breadth of our services and the strength of our longstanding relationships, we have elevated our customer conversations to a strategic level, working with the C-suite to deliver value throughout their workflows. Based on demand from our largest customers, we are increasingly offering enterprise-wide deals that provide the benefits of one efficient contract and greater certainty around pricing. Often, these customers will work with several hundred data providers. By engaging closely with the customer, we can better understand their needs and displace a number of these providers, generating significant cost efficiencies for the customer through consolidation.

Creating value alongside HSBC

Our enterprise-wide deal with HSBC, one of the world's largest banks, is one example. Through this deal, over 750 terminals were switched to LSEG Workspace and we significantly expanded our provision of real-time data across the HSBC group. By rationalising its portfolio of data vendors, we have generated significant cost savings for HSBC – over $43 million per year. We are also partnering on bespoke solutions to drive growth for HSBC, and recently the bank launched a next-generation digital wealth management portal that is powered by our data and underlying tech workflow. Additionally, HSBC has joined our Design Partner Programme with Microsoft and the HSBC team is providing valuable input into product development decisions as we build the data and analytics solutions of the future.

Delivering growth for LSEG

As well as delivering value for our customers, these partnerships also generate attractive commercial results for LSEG. In the case of HSBC, we have taken an account that had been declining and turned it into one that is now growing at over c.4% per year. Invariably we find that these deals act as a foundation for further value creation as we look for ways to build on the initial partnership through cross-sell opportunities. HSBC is now consistently one of our top-performing accounts and our relationship continues to go from strength to strength.

Annual cost savings delivered for HSBC to date

>$43m

Terminals switched to LSEG Workspace

>750

> LSEG is a long-term trusted partner of HSBC and provides us with the core market data we need to run our business.
>
> The addition of Refinitiv to LSEG's portfolio brought new capabilities that help boost HSBC's competitive advantage.
>
> The unique combination of HSBC's expertise, LSEG's data and analytics, and Microsoft's infrastructure is helping us to get great results now and build the right solutions for the future.

John Hinshaw
Chief Operating Officer, HSBC

Divisional review: Data & Analytics

Recurring revenue

96%

Transactional revenue

4%

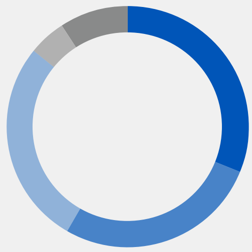
We've continued to build excellent momentum in our Data & Analytics division in 2023, delivering another significant acceleration in growth.

We're innovating rapidly across our product set and our customers tell us they value the high-quality experience that we're providing.

We're continuing to invest in the infrastructure that underpins our data offering and we're developing the solutions of the future alongside Microsoft as we look to further strengthen, innovate and scale our business.

Satvinder Singh
Head of Data & Analytics

Revenue split[1]



- Trading & Banking £1,656m 31%
- Enterprise Data £1,411m 27%
- Investment £1,423m 27%
- Wealth £285m 5%
- Customer & Third-Party Risk £492m 9%

1 Percentages do not add to 100% due to rounding.

We provide customers with high-value data and analytics services, including investment solutions and indices, trading workflow, wealth advisory and investment banking solutions and risk intelligence capabilities. The quality, depth and integrity of our data gives our customers the confidence to make critical decisions, create leading investment and trading products and drive automation and efficiencies across their operations.

In July 2023, Satvinder Singh joined LSEG as Head of Data & Analytics (D&A). Most recently, Satvinder served on the management committee at Mastercard and brings with him over 28 years of experience leading global businesses in data and analytics, capital markets, post trade services, payments and technology.

Our Data & Analytics division is split into five areas, each addressing different customer needs:

Trading & Banking

Data, analytics and workflow solutions across trading and investment banking lifecycles, including content and pricing, productivity tools, trade execution and post trade management.

Structural market trends driving growth:

— Electronification of workflows and demand for customised solutions.
— Adoption of generative AI and cloud technology.
— Increasing demand for higher quality insight from data.

Performance:

+3.3% primarily driven by better price realisation following improvements to our product offering (e.g. Workspace) and customer service.

Enterprise Data

Serving business-critical data needs across asset classes, latencies and delivery mechanisms including real-time and historic market data, evaluated pricing, news, text and reference and legal entity data.

Structural market trends driving growth:

— Rising importance of data trust across front, middle and back office applications and risk management use cases.
— Increasing demand for higher quality data to meet emerging regulation.
— Customers outsourcing data management due to cost and complexity.

Performance:

+9.3% reflecting the continued enhancement and expansion of our content, particularly in the fixed income space, and investment in capabilities such as MayStreet's super-low latency data feeds and our cloud-based Real-Time Optimised solution. Building on the natural linkages with FTSE Russell and other parts of the Group is driving strong revenue synergy realisation.

Investment Solutions

Benchmarks, analytics and data solutions that serve customers in all stages of the investment process, supporting consistency and accuracy in investment strategy and asset allocation decisions.

Structural market trends driving growth:

— Growth in passive investing.
— Growing sophistication in fixed income indexing.
— Multi-factor investing.
— Sustainability and ESG investing.

Performance:

+7.9% – subscription revenue growth continued the acceleration seen over recent years, with Benchmark Rates, Indices & Analytics growing 11.5%. Improvements to our sales process are achieving greater focus on customers and discipline in how we meet strong demand for our core benchmark products. Asset based revenues accelerated over the course of the year, reflecting strong product inflows and a recovery in market levels.

Wealth

Facilitating wealth manager workflows, enabling advisers to make better-informed decisions, undertake timely communications and access relevant insights.

Structural market trends driving growth:

— Digitalisation.
— Growth in mass-market wealth management demand.

Performance:

+4.4% driven primarily by Digital Solutions, though Workflows also made a positive contribution to growth.

Customer & Third-Party Risk

Risk solutions that help regulated businesses and corporate organisations conduct due diligence, meet Know Your Customer (KYC) and Know Your Third Party (KY3P) commitments, onboard customers and manage the risk of identity and payment fraud.

Structural market trends driving growth:

— Rising focus on reputational risk.
— Digitalisation.
— Regulation and ESG.
— Digital currency growth.

Performance:

+16.4% – the World-Check screening business continued to deliver double-digit growth as regulatory and risk-driven customer demand for Anti Money-Laundering (AML) and KYC solutions was complemented by further expansion of World-Check's offering. Customer & Third-Party Risk Solutions also saw a small benefit from a full year contribution of last year's acquisition of the GDC identity verification data business.

2023 Highlights

Accelerating revenue growth in 2023

We continued to accelerate growth in our Data & Analytics business this year, up from 3.8%[1] organic in 2022 to 6.7%[1] organic in 2023. Growth in our Annual Subscription Value (the annualised value of our subscription contracts) is up 370bps since the acquisition of Refinitiv.

Over the past three years, we have focused on partnering with our customers to better understand their needs and build stronger relationships, and on incentivising our salespeople more effectively by, among other things, setting net (rather than gross) sales targets. These improvements in operational execution have been key in delivering the incremental growth to-date, largely through significantly higher product retention.

This year, we increased the magnitude of our annual price review for the first time since the Refinitiv acquisition. This drove approximately 100bps of incremental growth in 2023 and was largely well accepted by our customers who recognise the improvements we are making to our offering and the overall user experience we deliver.

Workspace rollout progressing well

We have continued to make great progress with the rollout of Workspace, our next-generation data and workflow solution that combines cutting-edge technology with market-leading content sets, delivering a best-in-class experience for customers across trading, banking, portfolio management and wealth advisory.

Through Workspace, users can access our leading data, analytics and news, covering multiple asset classes and all from highly trusted sources.

Workspace is:
— Frictionless – delivering a seamless experience across devices with quick installation and deployment.
— Intuitive – highly customisable and easy to navigate with predictive discovery powered by generative AI.
— Connected – integrated with functionality from across our offering (e.g. TORA) to deliver powerful workflow solutions, while open infrastructure allows customers to plug in their own data and tools.

Customer feedback has been improving strongly, with Workspace scoring higher than its predecessor product Eikon on a number of key satisfaction metrics. We have also continued to improve Workspace on a regular and ongoing basis, delivering double-digit increases to customer experience scores that track "ease of sharing news and analysis" and "power of analytics". In 2023 alone, we launched over 380 updates to the product.

The rollout is progressing well and we expect to have migrated the vast majority of customers by the end of 2024. In August, we announced that we will permanently sunset Eikon in 2025.

1 Growth rates are on a constant currency, organic basis. 2022 growth excludes the impact of the Russia/Ukraine War.

Tradeweb/FTSE Russell partnership

Our relationship with Tradeweb continues to go from strength to strength as we look for ways to utilise our joint offering to create innovative and high-quality solutions for our customers. In October 2023, we announced a strategic partnership between Tradeweb and FTSE Russell, to develop the next generation of fixed income pricing and index trading products. We will use FTSE Russell's innovative fixed income index solutions and Tradeweb's trading platform and data capabilities to:
— Expand benchmark pricing across a wider range of regions and fixed income asset classes, building on the recently launched European Government bond pricing.
— Explore incorporating Tradeweb pricing into FTSE Fixed Income indices, starting with the FTSE World Government Bond Index (WGBI).
— Expand and enhance electronic trading functionality for FTSE Russell Fixed Income indices and customised baskets.

LSEG and Tradeweb also signed a new market data licensing agreement, offering customers the benefits of LSEG's distribution, reach and technology alongside Tradeweb's growing suite of valuable market data.

Partnering with Microsoft to empower the future of financial markets

In December 2022, we announced a long-term strategic partnership with Microsoft to co-innovate solutions that will transform the data, analytics and workflow experience in financial services, and enable us to accelerate value creation for our customers.

2023 progress:
— Our new cloud environment build is well advanced, with the first migrations already under way. Already, over 250 million analytical calculations are now run daily on Azure, with more being added.
— We have been engaging with major customers through the Design Partner Programme.
— We announced that early product enhancements and new applications will begin to launch in H1 2024.

Upcoming product launches:
— Meeting Prep – a Microsoft Teams app that will automatically generate meeting preparation summaries and insights, pulling from LSEG's financial data and relevant content in Microsoft 365 including documents, emails and chats. Pilots will begin in 2024.
— Open Directory – chat and collaboration experience with open access across financial services user communities – through Workspace Messenger, Microsoft Teams and other chat interfaces. Pilots will begin in 2024.
— LSEG Workspace/Microsoft interoperability – enabling users to seamlessly access, discover and share content across LSEG Workspace and the Microsoft 365 productivity suite. Pilots will begin in 2024.
— LSEG AI Insights – launch of a proprietary Q&A interface helping end users gain instantaneous answers to questions summarised from underlying documents and enriched with the latest data and analytics. The first pilots will focus on fund analytics with Lipper, and fixed income analytics powered by Yield Book.
— Data-as-a-Service – a new solution powered by Microsoft Fabric that will enable customers to easily discover, interrogate, administer and integrate our financial data and content. Pilots will begin in 2024.

For further information on our partnership with Microsoft, see pages 18–19.

Acceleration in ASV since the Refinitiv acquisition

370bps

Workspace updates launched in 2023

>380

Divisional review: Capital Markets

Recurring revenue

30%

Transactional revenue

70%

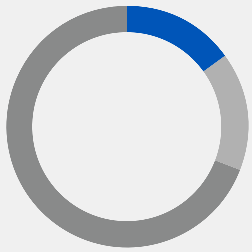
Our Capital Markets division delivered another solid performance in 2023 despite a volatile market environment.

This year also marked several product and infrastructure development milestones, as we launched our new FX Matching platform and delivered innovative new connectivity across our venues.

These achievements reflect our continued ambition to transform the way capital markets function globally.

Murray Roos
Head of Capital Markets

Revenue split



- Equities £227m 15%
- FX £251m 16%
- Fixed Income, Derivatives & Other £1,068m 69%

We offer our customers extensive access to capital markets and liquidity across multiple asset classes. We operate a broad range of international equity, fixed income, exchange-traded funds and products and foreign exchange markets. We are home to several capital formation and execution venues: the London Stock Exchange, AIM, Turquoise, FXall, Matching and Tradeweb. The division is split into three areas:

Equities

Capital raising and trading venues for equities. A trusted long-term partner to the market and the #1 exchange by capital raised in Europe.

Structural market trends driving growth:
— Globalisation.
— Electronic trading.
— Pipeline of PE-backed businesses seeking next stage of investment.

Performance:
-8.8% as subdued market volatility fed through to lower Secondary Markets activity.

FX

A market leader in dealer-to-client and dealer-to-dealer FX trading, we provide electronic trading, workflow and data to the institutional foreign exchange community through FXall and FX Matching.

Structural market trends driving growth:
— Access to liquidity.
— Cross-border trading and business globalisation.

Performance:
-1.9% – weaker interbank FX activity, particularly in H2 2023, adversely impacted volumes on our dealer-focused Matching platform. Our dealer-to-client platform, FXall, also saw lower activity from buyside participants.

Fixed Income, Derivatives & Other

Electronic marketplaces for rates, credit, equities and money markets products, built and operated through Tradeweb.

Structural market trends driving growth:
— Electronification of fixed income markets.
— Expanding global markets.

Performance:
+12.1%, accelerating over the year as risk appetite returned to markets, building on structural tailwinds from the ongoing electronification of trading and Tradeweb's continued share gains in key product lines. Tradeweb made further progress in international markets with the acquisition of Yieldbroker (see 2023 highlights opposite). Tradeweb also announced the acquisition of algorithmic execution technology business r8fin, which closed in January 2024.

2023 Highlights

Building out Tradeweb's offering and global presence through M&A

Through Tradeweb, we operate leading global platforms in US Treasuries and interest rate swaps trading and we hold a strong and improving position in US credit. We have a clear strategy to continue enhancing Tradeweb's offering. This includes expanding Tradeweb's presence globally – in particular across EM and APAC regions – and driving increased adoption of portfolio trading by building out the functionality that Tradeweb's platform can offer.

In 2023, Tradeweb announced two acquisitions that further this strategy:
— r8fin – a technology provider that specialises in algorithmic-based execution for US Treasuries and interest rate futures, helping Tradeweb reach a new and differentiated level of intelligent execution through a powerful combination of algorithmic technology and cross-market connectivity. The acquisition of r8fin closed in January 2024.
— Yieldbroker – a leading Australian trading platform for Australian and New Zealand government bonds and interest rate derivatives covering the institutional and wholesale client sectors. The acquisition of Yieldbroker closed in August 2023.

Plugging FX capabilities into our workflow offering

New NDF Matching platform launched
In November 2023, LSEG FX launched a new NDF Matching venue in Singapore, the first deliverable of the FX Venues re-platforming initiative. This venue supports the demand for NDF central limit order book market infrastructure in Asia and around the globe, including from LSEG's network of over 5,000 FX trading desktop users in the region. It also brings to market a trading platform on which a broader array of market participants can agree to clear their NDFs on a pre-trade basis with LCH ForexClear. Cleared settlement brings innovation to the FX space, including improved liquidity, simplified credit management, lower costs and easier adoption by non-bank participants.

Tradeweb/FXall interconnectivity
Tradeweb in collaboration with FXall this year launched an innovative solution to help institutional investors trade Emerging Markets bonds more efficiently. The new FX Swap Workflow solution allows mutual clients of Tradeweb and FXall to buy or sell an EM bond and then seamlessly hedge the local currency risk by executing an FX swap trade via direct connectivity to FXall.

Increasing the attractiveness of the London Stock Exchange as a listing venue

There are a wide range of reforms to the UK's Capital Markets underway, on which we continue to engage extensively, both directly and through the Capital Markets Industry Taskforce (CMIT). These reforms include changes to the UK Listing Rules; Prospectus rules; how investment research is funded and procured; and Corporate Governance, as well as measures to increase the availability of risk capital being deployed into UK Capital Markets. These reforms are expected to begin to be implemented from the middle of 2024 with an active policy agenda into 2025.

Divisional review: Post Trade

Recurring revenue[1]

29%

Transactional revenue[1]

71%

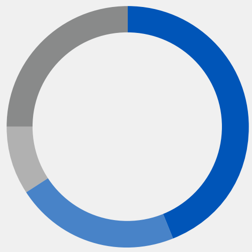
In a year of significant interest rate volatility, LCH once again demonstrated its robustness as a critical financial markets infrastructure provider and we were able to translate very strong demand for swaps clearing into exceptional performance in 2023.

We're continuing to invest in our offering and there is a significant opportunity to drive growth through the capital optimisation services we're building in Post Trade Solutions.

Daniel Maguire
Head of Post Trade, CEO, LCH Group & Chief Strategy Officer

1 Post Trade recurring and transactional proportion excludes Net Treasury Income.

Revenue split



- OTC Derivatives £517m 44%
- Securities & Reporting £254m 22%
- Non-Cash Collateral £107m 9%
- Net Treasury Income £289m 25%

We operate global, critically important clearing infrastructure, serving customers in more than 60 countries and clearing across multiple asset classes and in 27 currencies. We help customers optimise financial resource consumption, satisfy their regulatory reporting obligations and manage and optimise credit risk, while reducing operational complexity and cost. Increasingly, we are extending this support across the value chain, collaborating across the Group to deliver seamless interoperability with our Capital Markets and Data & Analytics offerings.

We are well positioned in the context of key structural market growth trends: increasing regulation for our customers and rising demand for both risk management and capital optimisation solutions. Market volatility is also an important driver of performance, and in 2023, rising global inflation and shifting expectations around timing of interest rate moves contributed to heightened clearing volumes, particularly in H1. We are also driving strong underlying performance, in part through the expansion of our global network — particularly in EMEA and Asia — and we're enhancing our product offering to secure long-term growth.

The division is split across four reporting segments:

OTC Derivatives
Clearing and capital optimisation solutions for OTC Derivatives, including interest rate swaps, foreign exchange and credit default swaps. The largest of these services is SwapClear, which is responsible for over 90% of the global interest rate swap notional cleared.

Performance:
+28.9%, partly reflecting the benefit of acquisitions. Organic growth of 13.9% was also strong, with uncertainty around the timing and scale of Central Bank interest rate moves driving increased client clearing activity in SwapClear. We also generated £18 million of revenue helping customers through US reference rate reform and delivered double-digit revenue growth in both FX and CDS clearing.

Securities & Reporting
Securities clearing, capital optimisation and regulatory reporting solutions.

Performance:
+7.0% as fees received due to the early termination of the Euronext clearing agreement more than offset the impact of lost cash equity clearing revenues. We expect some additional revenue attrition in 2024 as Euronext transition their remaining clearing activities. RepoClear continued to grow well.

Non-Cash Collateral
Fees are earned from handling non-cash collateral balances.

Performance:
+7.5% as customers worked to optimise their collateral and clearing volumes grew.

Net Treasury Income (NTI)
Income earned on cash deposited with LCH as margin and default funds as part of the risk management process.

Performance:
+12.8% – as interest margins benefited from money market trends. Higher levels of cash collateral year-on-year were also supportive in the first half, but moderated in the second half as balances normalised.

2023 Highlights

A trusted partner to the markets
Delivering strong growth, supported by interest rate volatility
As central banks around the world grappled to contain rising inflation in 2023, we saw unprecedented market volatility driven by interest rate uncertainty – particularly in the first half – and this helped to drive double-digit growth at SwapClear and in our NTI.

As we exit a period in which interest rates have hovered close to zero for over a decade, we are seeing a spike in interest rate hedging activity as customers look to secure their positions. In general, such market volatility tends to be positive for Post Trade activity and we saw similarly elevated volumes in 2022, partly also driven by geopolitical uncertainty.

As a leading and trusted provider of clearing and risk management services, and with deep cleared liquidity pools across interest rate swaps, CDS, FX, Equities and Repos, we are well positioned to support customers through times of uncertainty like this.

Supporting customers through interest rate reform
Following the FCA's decision to retire the London Interbank Offered Rate (LIBOR), we have been actively supporting customers to transition their existing swaps contracts away from LIBOR and onto alternative risk-free reference rates. US dollar LIBOR, the most significant of the outgoing rates, ceased to be published in June 2023 and so there has been a significant market effort this year to transition these contracts while providing seamless continuity to customers and removing the need for them to take more expensive individual actions.

Across April and May 2023, we converted c.600,000 trades into SOFR equivalents for over 1,300 member and client accounts, representing c.$45 trillion in notional – also generating £18 million in fees for LSEG. Throughout this process, there has been no market disruption and customer feedback has been positive.

Targeting long-term growth through Post Trade Solutions
In 2023, we have made excellent progress in building out our Post Trade Solutions offering, designed to help our customers reduce their balance sheet risk by optimising their use of capital.

As changing regulation increases the incentive to clear some trades, there is a growing need for banks to determine the most cost-effective counterparty strategy, and our expertise will be vital in that process. With the services we are building and have acquired (Quantile and Acadia) we will be able to analyse a customer's trade portfolio and determine the best treatment for each transaction, processing cleared trades through LCH and uncleared margin and trades through Acadia and SwapAgent, while also providing customers with significant compression and capital optimisation benefits through Quantile. We're very excited about the opportunity here and we have a number of new organic services in the pipeline.

Find out more about this opportunity and how we're meeting it on page 43.

Partnering to transform our industry: Post Trade Solutions

Colleagues from across LSEG's Post Trade Solutions businesses are coming together to streamline our service delivery...

...and drive new levels of capital and operational efficiency for our customers.

Helping our customers achieve capital and operational efficiencies through Post Trade Solutions

The capital crunch

Our customers are facing a persistent challenge, as they struggle to maintain efficiency and deliver healthy returns at a time when capital requirements and funding costs are soaring for OTC derivatives. Increased regulatory focus, including the introduction of SA-CCR[1], is driving up costs and compelling banks to be more efficient with their financial resources so they can continue delivering for their clients. While the capital crunch impacts both cleared and bilateral portfolios, the latter also face significant operational hurdles including inconsistencies in contracting, reporting and dispute resolution which can create friction across the post trade lifecycle.

Building a world-class financial resource management offering

We are tackling our customers' key pain points through Post Trade Solutions. By combining several innovative businesses, we are bringing the clearing experience of LCH to the uncleared space – driving down the expense of capital and delivering significant efficiencies for our customers. Post Trade Solutions streamlines workflows, data, risk management and optimisation via:

- SwapAgent – designed to simplify the processing, margining and settlement of non-cleared OTC derivatives, including cross-currency swaps and swaptions. Over time, we intend to expand these services to a broader range of uncleared derivatives including FX and CDS.
- Quantile (acquired 2022) – a provider of financial resource optimisation services, helping to reduce gross notional, margin and capital requirements by reducing and rebalancing exposures.
- Acadia (acquired 2023) – a provider of standardised collateral and multi-asset class workflow capabilities for uncleared OTC derivatives, reducing costs and complexity through process optimisation.

By bringing this industry-leading expertise under one roof, we will accelerate the launch of new innovations that respond to our customers' needs and add further value across the post trade lifecycle.

Launched "FX Smart Clearing"

A recent example of Post Trade Solutions in action is "FX Smart Clearing", a service that launched in 2023 and has the potential to revolutionise OTC FX. By using Quantile's proven optimisation techniques to identify FX Forwards for clearing – available through LCH Forexclear – participants can significantly reduce their capital requirements and counterparty risk while also benefitting from multi-lateral trade compression. In a proof-of-concept, 19 participating banks achieved an average reduction in capital requirements of 51% without increasing initial margin significantly, and we believe there is scope to increase this to over 70% as the network and products grow.

Average reduction in capital requirements driven by FX Smart Clearing in a proof-of-concept

51%

> In consultation with Goldman Sachs and market participants, LSEG is seeking to import best practices and innovation from the cleared markets to the uncleared markets.
>
> As a result, I anticipate that the industry will benefit by having quick access to much better tools.

Amy Hong
Head of Market Structure & Strategic Partnerships Global Banking & Markets, Goldman Sachs

1 SA-CCR – Standardised approach to counterparty credit risk.

Chief Financial Officer review

We have delivered strongly against the stretching financial targets we set at the time of the Refinitiv acquisition.

As we look ahead, LSEG is well placed to deliver against our new medium-term targets, as our investments in growth and scalability begin to come through.

Anna Manz
Chief Financial Officer

Growth in total income excluding recoveries (reported)

+7.8%

2022: +19.6%

Growth in total income excluding recoveries (constant currency basis)

+8.3%

2022: +6.6%[1]

Annual Subscription Value growth

+6.7%

2022: +6.2%[2]

For more information, see our Financial Statements on pages 171 to 254.

1 2022 growth rate excludes the Russia/Ukraine war impact, calculated by excluding income in the region and from sanctioned customers and related business from both periods. This amounted to £80 million in 2021 and £18 million in Q1 2022, and nil beyond that.
2 2022 growth excludes the impact of the Russia/Ukraine War.

2023 in review

We delivered strong top-line growth of 7.8%[2] on a reported basis, and 8.3% on a constant currency basis in 2023, with underlying margin expansion of 110 basis points. The annual dividend increased 7.5%, and a further £1.2 billion of excess capital was returned to shareholders in share buybacks.

We have demonstrated a strong performance against the long-term targets we announced with the Refinitiv acquisition. We delivered organic income growth of 6.5% CAGR[1] against a target of 5-7% growth, as well as ongoing underlying expansion of our adjusted EBITDA margin. We have achieved our cost synergies two years ahead of plan against an upgraded target, and are on track to deliver revenue synergies, also against an upgraded target.

New medium-term guidance

1. Accelerating growth – a step-up in growth expectations to mid to high single-digit organic revenue growth annually, accelerating after 2024 as customers start to benefit from our investment in major platforms and the Microsoft partnership.

We have several structural growth drivers that underpin our business. In addition, we have opportunities to grow our market share.

The strategic combination of LSEG and Refinitiv continues to deliver revenue synergies, and through our sales transformation we are able to have more effective conversations with our customers.

With regards to pricing, as we improve the value of our services for our customers; are more disciplined with the implementation of our price reviews; and over time, move to a usage based pricing model, we see lots of opportunity here.

We continue to develop new products and instil a real rhythm of innovation and collaboration with customers. We also see opportunities in new asset classes like private markets and digital assets alongside geographic expansion.

The Microsoft partnership increases the potential for every one of these levers, enabling new and adjacent market opportunities.

2. Improving profitability – underlying EBITDA margin to increase over time, as the benefit from top-line growth more than offsets underlying inflation and our reinvestments in growth.

Our Capital Markets and Post Trade divisions are scaled businesses, but we see opportunity for further margin improvement in our Data & Analytics business as we build an efficient and scalable technology platform.

3. Sustained investment – total capex (including Refinitiv integration) will remain around current levels of 11-12% of income[2] in 2024, then decline over time to high single-digit % of income[2] as integration related spend ceases.

We have been investing heavily in our business to address historical underinvestment in the Refinitiv business, to integrate the LSEG and Refinitiv businesses, and to build new capabilities to drive future growth.

4. Strong cash conversion – cumulative free cash flow to exceed adjusted profit after tax attributable to equity holders.

Our business is highly cash generative, and as integration spend ceases after 2025, our cash conversion will improve.

1 Organic, constant currency income (excl. recoveries) growth, excluding deferred revenue accounting adjustment in 2021 and 2022, and the impact of Russia/Ukraine war in 2022.
2 Total income excluding recoveries.

Medium-term guidance

1. Revenue
Mid to high single-digit organic growth annually, accelerating after 2024.

2. EBITDA margin
Underlying margin to increase over time.

3. Capex
Remain around current levels of 11-12% of income in 2024, then declining over time to high single-digit % of income.

4. Cash conversion
Cumulative free cash flow to exceed adjusted profit after tax attributable to equity holders.

Capital allocation

Our goal is to invest for growth using the cash we generate, building a platform for long-term capital appreciation while rewarding investors today through a progressive dividend, growing broadly in line with adjusted earnings per share (AEPS).

We allocate capital within appropriate leverage bounds for our earnings profile, and during the course of 2023 the Group moved to target a leverage range of 1.5-2.5x operating net debt to adjusted EBITDA before foreign exchange gains or losses (previously 1.0-2.0x). Our intention is to maintain business-as-usual leverage around the middle of this range. Leverage at the end of December 2023 remained at 1.8x (December 2022: 1.8x).

LSEG generated £3.2 billion in operating cash flow in 2023, which we deployed as follows

1. Capex – £1.0 billion

Business-as-usual capex, on an accrued constant currency basis, was £745 million. We continued to focus on programmes to support growth, efficiency and resilience. Our growth investments touch every part of our business given the breadth of opportunity in front of us. Key growth programmes ongoing during 2023 included Workspace product development, continued investment in Tradeweb, the replatforming of the FTSE Russell index business and the development of Post Trade Solutions. In addition, we began our joint product investments with Microsoft and continued to upgrade our own infrastructure to provide increased capacity, greater agility and better resilience.

In addition to these investments, and in line with our guidance, we incurred a further £230 million of integration capex on an accrued basis, the vast majority of which was related to delivering the synergies relating to the Refinitiv acquisition. Total capex on a cash basis was £1,031 million.

2. M&A – £618 million

In March 2023, we completed the acquisition of Acadia, which significantly enhances our risk management, margining and collateral optimisation capabilities across asset classes, particularly in the uncleared derivatives space. Together with the 2022 acquisition of Quantile, and our existing SwapAgent business, it will form the backbone of our Post Trade Solutions platform described above. Its services are of growing strategic importance to our customers and we are well positioned to develop and scale them in a way that is highly complementary to our existing Post Trade offering. For more information on Acadia and Post Trade Solutions – see page 43.

We also extended Tradeweb's geographical footprint through the acquisition of Yieldbroker in Australia.

3. Dividends – £611 million

The proposed final dividend for 2023 is 79.3 pence – giving a total for the year of 115.0 pence, up 7.5% on 2022. This is consistent with our dividend policy and reflects a payout ratio of 36% of AEPS. The total cash outflow for the year was £611 million, comprising the 2022 final dividend and the 2023 interim dividend.

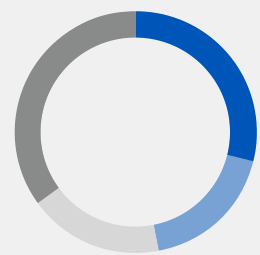
From 2024, our policy is to pay a progressive dividend with a pay-out ratio of 33-40% of full-year AEPS, with the interim dividend set at around one-third of the expected full-year dividend.

4. Share buyback – £1.2 billion

We remain very focused on capital discipline and will, from time to time, return excess capital to shareholders to the extent that we stay within our leverage range. The £1.2 billion returned during 2023 reflected £450 million of on-market buybacks to complete the original £750 million programme announced in August 2022, and a £750 million buyback directed at the holding of the former Refinitiv shareholders, which we executed in September 2023.

Looking ahead, we intend to complete up to £1 billion of additional share buybacks during 2024, which we intend to acquire directly from entities owned by certain investment funds affiliated with Blackstone, an affiliate of Canada Pension Plan Investment Board, an affiliate of GIC Special Investments Pte. Ltd, and by Thomson Reuters (collectively, the former Refinitiv shareholders). We believe this structure is in the best interests of all shareholders. As part of this, we are seeking permission from LSEG shareholders to renew the authority for directed buybacks at this year's AGM in April 2024.

Capital allocation split



- Capex – £1.0 billion
- M&A – £618 million
- Dividend – £611 million
- Share buyback – £1.2 billion

Revised reporting structure to better reflect our business

From Q1 2024, we will be revising our reporting structure to align divisional disclosures with management reporting lines. These changes primarily impact the Data & Analytics division.

For the new Data & Analytics perimeter, revenues will be grouped by product types under three business lines:

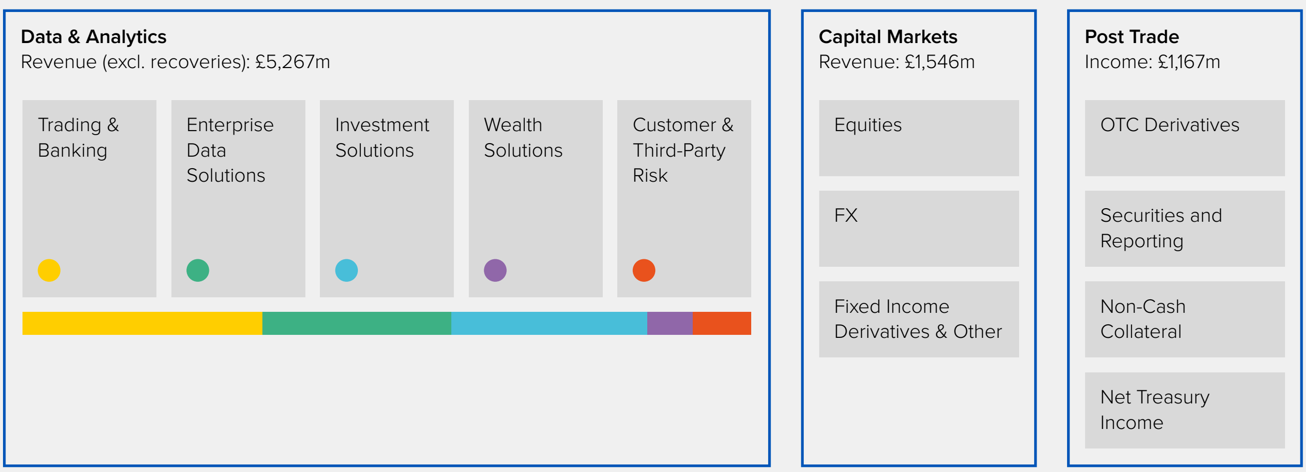
- Workflows – consolidates all of our user interface businesses, comprising Trading & Banking, plus the desktop activities previously reported within Investment Solutions and Wealth.
- Data & Feeds – consolidates all of our data businesses and comprises Enterprise Data, plus the data and feeds activities previously reported within Investment Solutions and Wealth.
- Analytics – previously reported within Investment Solutions.

The revised grouping allows for better identification of underlying trends in products and usage, rather than focusing on user groups or communities.

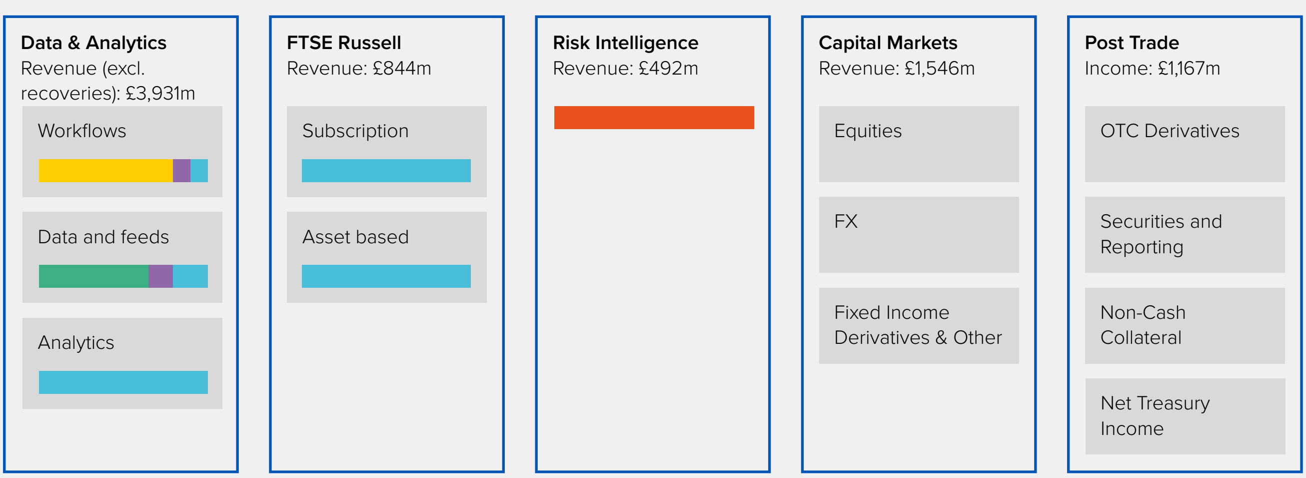
Benchmark & Indices will be split out from Investment Solutions and be renamed FTSE Russell as a separate division. Similarly, Customer & Third-Party Risk will also become a stand-alone division, and be renamed Risk Intelligence.

There will be no change to our Capital Markets or Post Trade reporting.

2023 reporting



Revised reporting structure from 2024



2023 income (excluding recoveries) re-presented under the new reporting structure – effective from Q1 2024.

Financial review

All growth rates are expressed on a constant currency basis, unless otherwise stated.

Reported	**2023 £m**	2022 £m	Variance %	Constant currency variance %	Organic constant currency variance %
Data & Analytics	**5,267**	4,944	6.5%	7.3%	6.7%
Capital Markets	**1,546**	1,459	6.0%	6.1%	5.8%
Post Trade	**1,167**	991	17.8%	17.4%	11.5%
Other	**29**	34	(14.7%)	(13.7%)	(13.7%)
Total Income (excl. recoveries)	**8,009**	7,428	7.8%	8.3%	7.1%
Recoveries[1]	**370**	315	17.5%	2.8%	2.8%
Total Income (incl. recoveries)	**8,379**	7,743	8.2%	8.1%	6.9%
Reported					
Operating Profit	**1,371**	1,417	(3.2%)		
Profit Before Tax	**1,195**	1,241	(3.7%)		
Basic Earnings per Share[2] (p)	**138.9**	141.8	(2.0%)		
Dividends per Share (p)	**115.0**	107.0	7.5%		
Adjusted[3]					
EBITDA	**3,777**	3,550	6.4%	8.6%	8.8%
EBITDA Margin	**47.2%**	47.8%			
Depreciation, amortisation and impairment	**(915)**	(822)	11.3%	10.7%	10.0%
Operating profit	**2,862**	**2,728**	**4.9%**	**7.9%**	**8.4%**
Net finance costs	**(170)**	(160)	6.3%		
Profit before tax	**2,692**	**2,568**	**4.8%**		
Taxation	**(625)**	(540)	15.7%		
Profit from continuing operations	**2,067**	**2,028**	**1.9%**		
Equity holders	**1,775**	1,770	0.3%		
Non-controlling interests	**292**	258	13.2%		
Adjusted Earnings per Share[2] (p)	**323.9**	**317.8**	**1.9%**		

The financial review contains revenues, costs, earnings on a continuing basis, and key performance indicators (KPIs) for the twelve months ended 31 December 2023. FY 2023 is compared against FY 2022 on a statutory basis. Constant currency variances are calculated on the basis of consistent FX rates applied across the current and prior year period. Organic growth is calculated on a constant currency basis, adjusting the results to remove disposals from the entirety of the current and prior year periods, and by including acquisitions from the date of acquisition with a comparable adjustment to the prior year. Within the financial information and tables presented, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes.

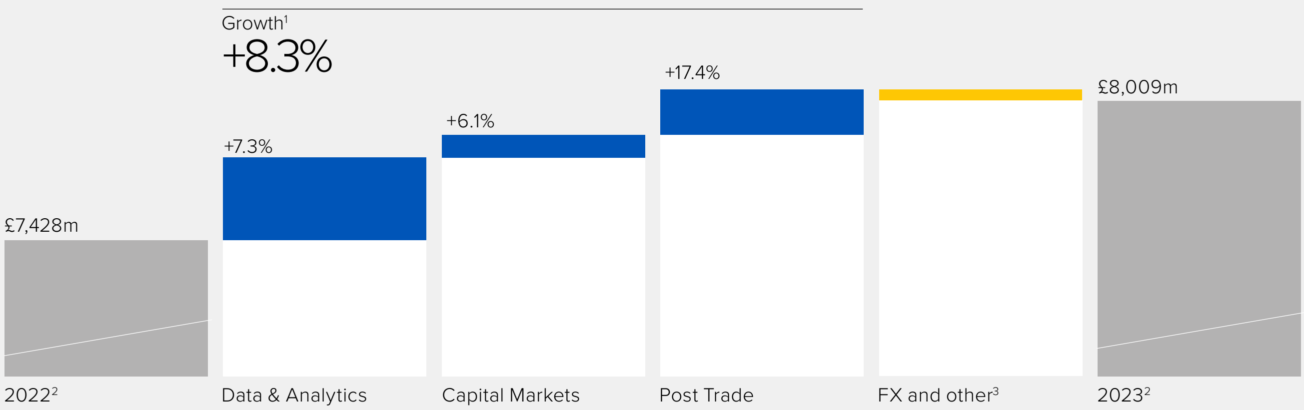
1 Recoveries relate to fees for third-party content, such as exchange data, that is distributed directly to customers.
2 Weighted average number of shares used to calculate basic earnings per share and adjusted basic earnings per share from continuing operations is 548 million (2022: 557 million).
3 The Group reports adjusted operating expenses before depreciation, amortisation and impairment, adjusted earnings before interest, tax, depreciation, amortisation and impairment (EBITDA), adjusted depreciation, amortisation and impairment, adjusted operating profit and adjusted basic earnings per share (EPS). These measures are not measures of performance under IFRS and should be considered in addition to, and not as a substitute for, IFRS measures of financial performance and liquidity. Adjusted performance measures provide supplemental data relevant to an understanding of the Group's financial performance and exclude non-underlying items of income and expense that are material by their size and/or nature. Non-underlying items include: amortisation and impairment of goodwill and other purchased intangible assets, incremental amortisation and impairment of the fair value adjustments of intangible assets recognised as a result of acquisitions, tax on non-underlying items and other income or expenses not considered to drive the operating results of the Group (including transaction, integration and separation costs related to acquisitions and disposals of businesses), as well as restructuring costs.

Total Income excluding recoveries of £8,009 million grew 8.3% on a constant currency basis, and included a 120bp benefit from acquisitions during the year. Growth on a reported basis was 7.8%. Total Income including recoveries of £8,379 million was up 8.1% in constant currency, and 8.2% higher on a reported basis. This growth was driven by good performance across all three divisions.

Adjusted operating expenses before depreciation, amortisation and impairment of £3,474 million, included £42 million of FX-related items (2022: £68 million credit). Constant currency cost growth of 7.7% includes the in-year impact of acquisitions. Organic cost growth of 5.3% reflected ongoing cost discipline, strong delivery of Refinitiv-related synergies and other efficiency gains. Our main costs relate to our people, with staff costs of £2,085 million (2022: £1,896 million) incorporating an average salary increase of 6% for the year. IT costs amounted to £607 million (2022: £567 million) with professional fees of £404 million (2022: £420 million).

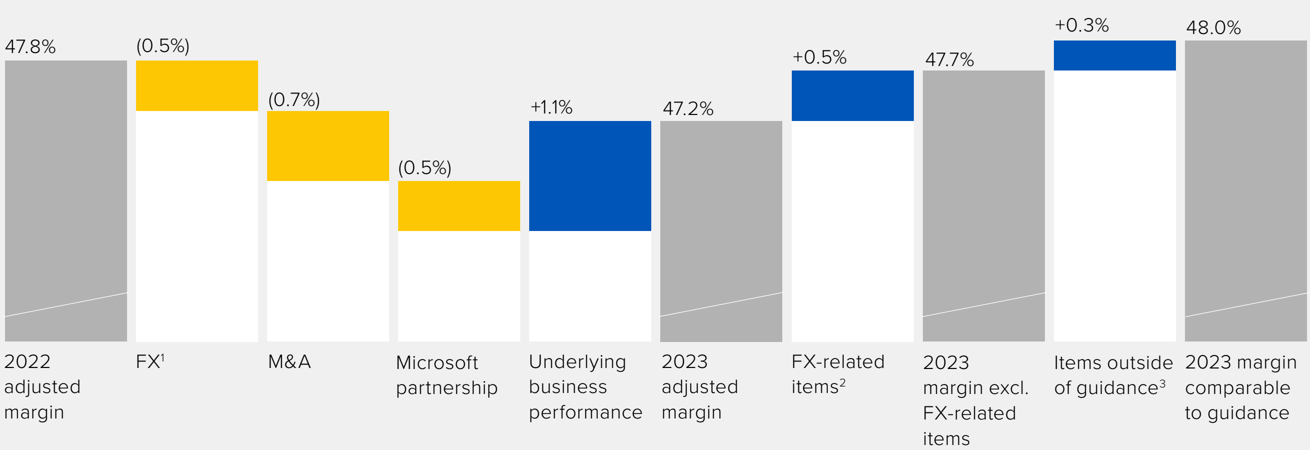
Adjusted EBITDA of £3,777 million increased 8.6% in constant currency. EBITDA margin was 60bps lower year-on-year at 47.2% reflecting investment in the Microsoft partnership, the in-year impact of acquisitions and the FX-related opex items noted above. Improvements in efficiency and scalability drove a 110bp improvement in underlying EBITDA margin. Within EBITDA, income from Equity Investments was £15 million in 2023, up 25% from the prior year following a meaningful increase in dividend payments from Euroclear.

Strong income growth across divisions



Growth rates on a constant currency basis unless otherwise stated.
1 Growth rate for total income excluding recoveries.
2 Total income excluding recoveries.
3 Includes the impact of other revenues

EBITDA margin in line with guidance



1 FX comprises FX-related items (2022: £68m benefit, 2023: £42m loss) and translational FX.
2 2023 FX-related items loss of £42m.
3 Items outside of guidance consist of: Acadia acquisition (-10bps) and difference between guidance and actual FX rates (-20bps).

Reported depreciation, amortisation and impairment of £2,143 million (2022: £1,900 million) includes £1,228 million (2022: £1,078 million) related to the amortisation of purchased intangible assets (mainly Refinitiv) as well as other non-underlying charges. Excluding these, adjusted depreciation, amortisation and impairment of £915 million grew by 10.7%. Our continued investment in technology and new services and the capex associated with achieving the Refinitiv synergies was the main driver of this increase. In addition, we saw an impact from our move to an agile working methodology, with depreciation of multi-release investment programmes now recognised earlier, and a greater proportion of capex was assigned a three-year useful economic life.

Reconciliation of Adjusted Operating Profit to Reported Operating Profit

	2023 £m	2022 £m
Adjusted Operating Profit	**2,862**	**2,728**
Transaction costs	**(85)**	(85)
Integration, separation & restructuring costs	**(247)**	(304)
Profit on disposal of PPE & remeasurement gains	**69**	156
Depreciation, amortisation and impairment of intangibles and other assets	**(1,228)**	(1,078)
Operating Profit	**1,371**	**1,417**

Reported Operating Profit of £1,371 million was 3.2% lower, mostly due to higher amortisation, including purchased intangible assets. Adjusted Operating Profit of £2,862 million grew 7.9% with the strong income growth and cost discipline highlighted above partially offset by higher depreciation and amortisation.

Transaction costs of £85 million mainly relate to fees and other charges incurred from acquisition activity during the year, as well as awards and incentive plans linked to previous acquisitions. Integration, separation and restructuring costs have mostly been incurred in relation to the integration of Refinitiv and are in line with previous guidance. Depreciation, amortisation and impairment of intangibles and other assets of £1,228 million mainly arise from the Refinitiv acquisition, with some additional amortisation associated with recent acquisitions.

Net Finance Expense/Tax/Non-Controlling Interest

Adjusted Net Finance Expense was £170 million (2022: £160 million), and £176 million (2022: £176 million) on a reported basis. Following a change in presentation, Net Finance Expense now includes foreign exchange gains or losses on corporate treasury activities previously included as an operating expense. These movements represented a £30 million charge in 2023 and mostly reflected interest rate differentials on FX hedges[1]. Of this, £16 million was previously included in operating expenses in H1 2023.

An increase in interest rates drove greater interest income on cash and cash equivalents during the period, which was more than offset by additional interest expenses on floating rate borrowing and the £30 million additional FX charge.

Reported Profit Before Tax decreased 3.7%, to £1,195 million from £1,241 million in 2022 as higher income was more than offset by an increase in operating expenses and a higher depreciation and amortisation expense. Adjusted Profit Before Tax increased by 4.8% in the year to £2,692 million (2022: £2,568 million) as EBITDA growth more than offset the increase in depreciation and amortisation on an adjusted basis.

The Group incurred a tax charge in the year of £247 million (2022: £262 million). The effective tax rate was 20.7% (2022: 21.1%), while the adjusted effective tax rate was 23.2% (2022: 21.0%), with the increase from last year principally reflecting the impact of a higher UK corporate tax rate from 1 April 2023. We currently anticipate an adjusted tax rate of 24%-25% in 2024.

Adjusted profits attributable to non-controlling interests, mainly in Tradeweb and LCH, totalled £292 million for the year ended 2023, an increase of 13.2% from 2022 reflecting the strong performance of these businesses.

Earnings per share

Basic earnings per share from continuing operations was 138.9 pence (2022: 141.8 pence) with the decrease from last year mainly reflecting the lower profit before tax.

Adjusted basic earnings per share (AEPS) from continuing operations was 323.9 pence (2022: 317.8 pence). The 1.9% increase in AEPS year-on-year was driven by growth in underlying profitability partly offset by the higher depreciation and net finance expenses and an increased tax rate.

Dividend

The Board is proposing a final dividend of 79.3 pence per share, which together with the interim dividend of 35.7 pence per share paid to shareholders in September 2023, results in a 7.5% increase in the total dividend to 115 pence per share. The final dividend of 79.3 pence per share will be paid on 22 May 2024 to all shareholders on the share register at the record date of 19 April 2024.

1 The interest differential is the difference in interest rates between the two currencies embedded in an FX derivative for the tenor of the derivative.

Data & Analytics

Continuing operations	2023 £m	2022 £m	Variance %	Constant currency variance %	Organic constant currency variance %
Trading & Banking	**1,656**	1,612	2.7%	3.3%	2.5%
Trading	**1,306**	1,275	2.4%	3.0%	2.0%
Banking	**350**	337	3.9%	4.3%	4.3%
Enterprise Data	**1,411**	1,306	8.0%	9.3%	8.9%
Real-Time Data	**895**	837	6.9%	8.6%	7.9%
PRS	**516**	469	10.0%	10.6%	10.6%
Investment Solutions	**1,423**	1,326	7.3%	7.9%	7.9%
Benchmark Rates, Indices & Analytics	**689**	620	11.1%	11.5%	11.5%
Index – Asset-Based	**281**	280	0.4%	1.8%	1.8%
Data & Workflow	**453**	426	6.3%	6.7%	6.7%
Wealth	**285**	275	3.6%	4.4%	4.4.%
Customer & Third-Party Risk	**492**	425	15.8%	16.4%	14.1%
Total Revenue (excl. recoveries)	**5,267**	4,944	6.5%	7.3%	6.7%
Recoveries	**370**	315	17.5%	2.8%	2.8%
Total Revenue (incl. recoveries)	**5,637**	5,259	7.2%	7.0%	6.5%
Cost of sales	**(913)**	(879)	3.9%	4.7%	3.8%
Gross Profit	**4,724**	4,380	7.9%	7.5%	7.0%
Adjusted operating expenses before depreciation, amortisation and impairment	**(2,348)**	(2,142)	9.6%	5.7%	
Adjusted EBITDA	**2,376**	2,238	6.2%	9.2%	
Adjusted depreciation, amortisation and impairment	**(664)**	(607)	9.4%	8.9%	
Adjusted operating profit	**1,712**	1,631	5.0%	9.3%	
Adjusted EBITDA Margin	**45.1%**	45.3%			

To better align with internal reporting, some small revenue items have been reallocated between business lines across 2022 from Real-Time Data and Data & Workflow into Benchmark Rates, Indices & Analytics.

Data & Analytics provides high value data, analytics, indices, workflow solutions and data management capabilities. Total revenue excluding recoveries of £5,267 million grew by 7.3%, driven by broad based strength across business lines and a 0.6% in-year contribution from acquisitions.

Trading & Banking revenue of £1,656 million increased by 3.3%. Adjusting for the NEST disposal in 2023 and the benefit of last year's TORA acquisition, organic growth was 2.5%. This performance was primarily driven by better price realisation following improvements to our product offering (e.g. Workspace) and customer service.

Enterprise Data revenue of £1,411 million grew by 9.3%, reflecting the continued enhancement and expansion of our content, particularly in the fixed income space with the addition of Yieldbook, Tradeweb and debt corporate actions, and investment in capabilities such as MayStreet's low latency data feeds and our cloud-based Real-Time Optimised solution. Building on the natural linkages with FTSE Russell and other parts of the Group is driving strong revenue synergy realisation.

Investment Solutions revenue of £1,423 million was up 7.9%. Subscription revenue growth continued the acceleration seen over recent years, with Benchmark Rates, Indices & Analytics growing 11.5%. Improvements to our sales process are achieving greater focus on customers and discipline in how we meet strong demand for our core benchmark products. Asset-based revenues accelerated over the course of the year, reflecting strong product inflows and a recovery in market levels. ETF AUM ended the year at an all-time high of $1.25 trillion, 23.4% higher than 31 December 2022.

Wealth contributed £285 million of revenue in 2023, with Digital Solutions the main driver of the 4.4% growth on the prior year.

Customer & Third-Party Risk revenues of £492 million grew 16.4%. The World-Check screening business continued to deliver double-digit growth as regulatory and risk-driven customer demand for Anti Money-Laundering (AML) and Know Your Customer (KYC) solutions was complemented by further expansion of World-Check's offering. Customer & Third-Party Risk Solutions also saw a small benefit from a full year contribution of last year's acquisition of the GDC identity verification data business.

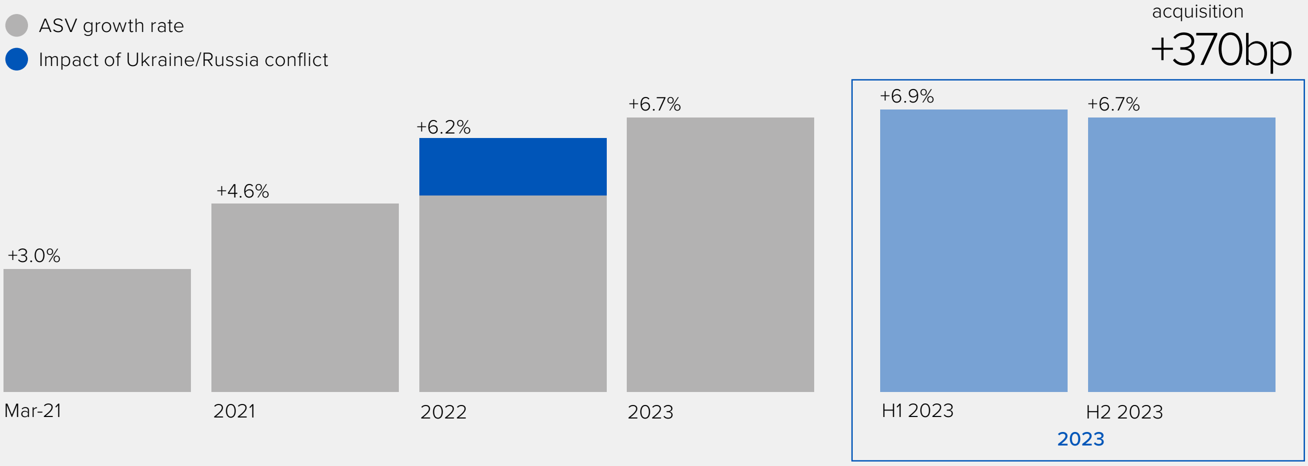
Organic Annual Subscription Value growth ("ASV") at December 2023 was 6.7%, reflecting continued strong demand for our services, the 2023 price increase, ongoing improvements in retention and some loss of Credit Suisse business, as anticipated.

Cost of sales of £913 million reflects the cost of purchased content and royalties, including news, specialist data and exchange data, which are required for the Data & Analytics products. Growth at 4.7% was below that of revenues.

Adjusted operating expenses before depreciation, amortisation and impairment increased to £2,348 million. Careful management of staff costs and ongoing delivery of synergies related to the Refinitiv acquisition meant cost growth of 5.7% was below that of revenues despite investment in the Microsoft partnership and other growth initiatives and the annualisation of expenses from businesses acquired in 2022.

Adjusted EBITDA of £2,376 million was up 9.2% on a constant currency basis, outpacing revenue growth. On an actual rates basis, adjusted EBITDA margin decreased 20 basis points to 45.1%. Adjusted operating profit was up 9.3%.

Retention, sales and price driving ASV growth



Annual Subscription Value (ASV) growth is a constant currency point-in-time year-on-year organic measure of subscription growth in our Data & Analytics business.

Non-Financial KPIs

	2023	2022	Variance %
Annual Subscription Value (ASV) Growth (%)[1]	**6.7%**	4.8%	
Subscription revenue growth (%)[1,2]	**7.1%**	4.6%	
Index – ETF AUM ($bn)			
– Period end	**1,245**	1,009	23.4%
– Average	**1,108**	1,024	8.2%
Index – ESG Passive AUM ($bn)[3]	**262**	256	2.4%

1 Organic, constant currency variance.
2 12-month rolling.
3 ESG Passive AUM is at 30 June 2023 and prior period comparator is at 30 June 2022. The comparator has been revised from the previously published figure of $296bn.

Capital Markets

Continuing operations	2023 £m	2022 £m	Variance %	Constant currency variance %	Organic constant currency variance %
Equities	**227**	248	(8.5%)	(8.8%)	(8.8%)
FX	**251**	258	(2.7%)	(1.9%)	(1.9%)
Fixed Income, Derivatives & Other	**1,068**	953	12.1%	12.1%	11.7%
Total Revenue	**1,546**	1,459	6.0%	6.1%	5.8%
Cost of sales	**(35)**	(34)	2.9%	3.2%	3.2%
Gross Profit	**1,511**	1,425	6.0%	6.1%	5.9%
Adjusted operating expenses before depreciation, amortisation and impairment	**(715)**	(665)	7.5%	8.2%	
Adjusted EBITDA	**796**	760	4.7%	4.4%	
Adjusted depreciation, amortisation and impairment	**(128)**	(103)	24.3%	23.2%	
Adjusted operating profit	**668**	657	1.7%	1.5%	
Adjusted EBITDA Margin	**51.5%**	52.1%			

Capital Markets provides businesses with access to capital through issuance, and offers secondary market trading for equities, fixed income, interest rate derivatives, foreign exchange (FX) and other asset classes.

Total revenue of £1,546 million grew 6.1% with the increase primarily driven by Fixed Income, Derivatives & Other.

Equities revenue of £227 million declined 8.8% as subdued market volatility fed through to lower Secondary Markets activity.

FX revenue of £251 million was down 1.9%. Weaker interbank FX activity, particularly in H2 2023, adversely impacted volumes on our dealer-focused Matching platform. Our dealer-to-client platform, FXall, also saw lower activity from buyside participants.

Fixed Income, Derivatives & Other revenues are primarily driven by Tradeweb, a global operator of electronic marketplaces for rates, credit, equities and money markets. Revenues of £1,068 million were 12.1% higher, accelerating over the year as risk appetite returned to markets. Tradeweb's solutions are supporting the ongoing electronification of trading and the group continues to make share gains in key product lines. Tradeweb made further progress in international markets, complementing its strong organic expansion with the acquisition of Yieldbroker, which added customers and liquidity in Australian and New Zealand government bonds. Tradeweb also announced the acquisition of algorithmic execution technology business r8fin, which completed in January 2024.

Cost of sales grew more slowly than revenues, increasing 3.2% to £35 million. These costs primarily reflect expenses within the Tradeweb business relating to data feeds.

Adjusted operating expenses before depreciation, amortisation and impairment of £715 million were up 8.2%, again driven by the strong revenue growth and investment at Tradeweb.

Adjusted EBITDA rose to £796 million, growing 4.4% as a result of the topline growth at Tradeweb while adjusted EBITDA margin was slightly lower at 51.5% (2022: 52.1%). Adjusted operating profit grew more modestly, up 1.5%. This reflects a higher adjusted depreciation and amortisation expense following sustained investment in our offering, in particular the introduction of the non-deliverable forward (NDF) Matching platform in 2023, and the move to more agile capex releases.

Non-Financial KPIs

	2023	2022	Variance %
Equities			
UK Value Traded (£bn) – Average Daily Value	**3.7**	4.6	(19.6%)
SETS Yield (bps)	**0.71**	0.66	7.6%
FX			
Average daily total volume ($bn)	**442**	452	(2.2%)
Fixed income, Derivatives and Other			
Tradeweb Average Daily Volume ($m)[1]			
Rates – Cash	**366,586**	342,748	7.0%
Rates – Derivatives	**529,757**	341,948	54.9%
Credit – Cash	**12,376**	10,094	22.6%
Credit – Derivatives	**14,030**	17,618	(20.4%)

1 2022 volumes revised from previous reporting.

Post Trade

Continuing operations	2023 £m	2022 £m	Variance %	Constant currency variance %	Organic constant currency variance %
OTC Derivatives	**517**	402	28.6%	28.9%	13.9%
Securities & Reporting	**254**	234	8.5%	7.0%	7.0%
Non-Cash Collateral	**107**	100	7.0%	7.5%	7.5%
Total Revenue	**878**	736	19.3%	19.0%	11.1%
Net Treasury Income	**289**	255	13.3%	12.8%	12.8%
Total Income	**1,167**	991	17.8%	17.4%	11.5%
Cost of sales	**(195)**	(150)	30.0%	27.5%	20.2%
Gross Profit	**972**	841	15.6%	15.7%	9.9%
Adjusted operating expenses before depreciation, amortisation and impairment	**(403)**	(324)	24.4%	20.6%	
Adjusted EBITDA	**569**	517	10.1%	12.3%	
Adjusted depreciation, amortisation and impairment	**(123)**	(112)	9.8%	9.8%	
Adjusted operating profit	**446**	405	10.1%	13.0%	
Adjusted EBITDA Margin	**48.8%**	52.2%			

Post Trade provides clearing, risk management, capital optimisation and regulatory reporting solutions. Total revenue of £878 million grew 19.0%, and 11.1% on an organic basis. Total income, including Net Treasury Income, was £1,167 million, up 17.4% year-on-year.

OTC Derivatives revenue increased to £517 million, up 28.9%, partly reflecting the in-year benefit of the Quantile and Acadia acquisitions. Organic growth of 13.9% was also strong, with uncertainty around the timing and scale of Central Bank interest rate moves driving increased client clearing activity in SwapClear. We also generated £18 million of one-time revenues helping customers renew contracts in response to US reference rate reform.

Securities & Reporting revenue of £254 million grew 7.0% as payments received relating to the early termination of the Euronext clearing agreement more than offset the in-year impact of lost cash equity clearing revenues and subdued equity market volumes. We expect some additional revenue and Net Treasury Income attrition in 2024 as Euronext transition their remaining clearing activities. RepoClear continued to see good growth.

Non-Cash Collateral revenue of £107 million grew 7.5% as customers worked to optimise their collateral and clearing volumes grew.

Net Treasury Income (NTI) of £289 million increased 12.8% as interest margins benefited from money market trends. Higher levels of cash collateral year-on-year were also supportive in the first half, but moderated in the second half as balances normalised.

Cost of sales of £195 million (2022: £150 million) include £10 million of additional expense from Acadia. The remaining organic increase was driven mainly by revenue share arrangements relating to the SwapClear business.

Adjusted operating expenses excluding depreciation, amortisation and impairment increased to £403 million, up 20.6%. Additional costs relating to Acadia and Quantile (both high-growth but not fully scaled businesses) drove much of the increase, though organic expenses also grew to reflect higher volumes and investment in new capabilities. As a result, adjusted EBITDA of £569 million grew 12.3%, while adjusted EBITDA margin declined to 48.8% (2022: 52.2%). Adjusted operating profit of £446 million was up 13.0%.

In July, LSEG completed the acquisition of the 11.1% minority interest in LCH SA for a total cash consideration of €111 million. In February 2024 LSEG acquired 3.24% of the share capital in LCH Group Holdings Limited from certain minority shareholders, taking LSEG's ownership of LCH Group Holdings Limited to 85.85%.

Non-Financial KPIs

	2023	2022	Variance %
OTC			
Interest rate swap – notional cleared ($trn)	**1,319**	1,091	20.9%
Interest rate swap – client trades ('000)	**3,172**	2,684	18.2%
FX – notional cleared ($bn)	**27,320**	24,659	10.8%
FX – ForexClear members	**38**	36	5.6%
Securities & Reporting			
EquityClear trades (m)	**1,471**	2,163	(32.0%)
Listed derivatives contracts (m)	**218.9**	262.6	(16.6%)
RepoClear – nominal value (€trn)	**304.9**	288.4	5.7%
Collateral			
Average non-cash collateral (€bn)	**180.8**	168.5	7.3%
Average cash collateral (€bn)	**130.4**	140.8	(7.4%)

Cash Flow

Cash Flow	2023 £m	2022 £m
Operating Cash Flow	**3,223**	**3,193**
Net interest paid	**(64)**	(142)
Other items[1]	**(118)**	(110)
Net taxes paid	**(217)**	(351)
Capex	**(1,031)**	(926)
Equity Free Cash Flow	**1,793**	**1,664**
Lease payments	**(156)**	(150)
Disposal proceeds	**–**	1,056
Acquisitions	**(618)**	(768)
Investments	**223**	(227)
Dividends to LSEG shareholders	**(611)**	(567)
Net borrowings	**1,128**	(209)
Share buybacks	**(1,235)**	(383)
Other	**(37)**	(56)
Net Cash Flow	**487**	**360**

The Group's business continued to be strongly cash generative during the year, with operating cash flow of £3,223 million (2022: £3,193 million). Cash outflows for purchases of property, plant and equipment and intangibles amounted to £1,031 million (2022: £926 million), which includes our business-as-usual investment programmes as well as investments related to the Refinitiv integration.

Equity free cash flow was £1,793 million (2022: £1,664 million), representing 100% conversion of profits attributable to LSEG shareholders. During the year the Group deployed £618 million on acquisitions, largely in respect of Acadia, Tradeweb's acquisition of Yieldbroker and the acquisition of the LCH SA minority interest. Dividends paid during the year were £611 million, with the increase from last year reflecting the continued strong growth in dividends per share. £1,235 million was spent on share buybacks, of which £450 million related to the LSEG share buyback programme announced in August 2022, £750 million was in respect of the directed buyback programme announced in March 2023, and a small component related to Tradeweb's share repurchase and other associated fees.

Cash generation, after organic and inorganic investments and other normal course payment obligations, was positive, contributing to cash and cash equivalents growing from £3,209 million as at 31 December 2022 to £3,580 million as at 31 December 2023.

1 Includes dividends received, dividends paid to non-controlling interests and sales commissions paid.

Balance Sheet/Leverage/Ratings

Net Debt At 31 December	2023 £m	2022 £m
Gross borrowings	9,063	8,151
Cash and cash equivalents	(3,580)	(3,209)
Net derivative financial (assets)/liabilities	(23)	48
Lease liabilities	636	672
Net debt	6,096	5,662
Less lease liabilities	(636)	(672)
Regulatory and operational amounts	1,348	1,236
Operating net debt	6,808	6,226

At 31 December 2023, the Group had operating net debt of £6,808 million (31 December 2022: £6,226 million) after setting aside £1,348 million for regulatory and operational amounts. The increase was driven by the Acadia acquisition, shareholder returns including the £450 million on-market buyback and the £750 million directed buyback and an increase in the amount of cash held for regulatory and operational purposes.

At 31 December 2023 group leverage[1] was 1.8x, unchanged from the previous year (2022: 1.8x). During the course of 2023 the Group moved its target leverage range to 1.5-2.5x (previously 1.0-2.0x), with an intention to maintain day-to-day leverage around the middle of this range.

The Group has access to committed revolving credit facilities of £3.0 billion, consisting of a £1,925 million facility and a £1,075 million facility, both maturing in December 2027. No drawings were outstanding under either facility at 31 December 2023 (31 December 2022: £nil).

In September 2023, LSEG successfully returned to the debt capital markets, issuing €1.4 billion of 3-year and 7-year bonds, with proceeds used to repay the remaining US dollar term loan entered into as part of the Refinitiv acquisition in 2021. The net effect was to extend the average maturity of our financing.

LSEG is rated A with stable outlook by Standard & Poor's and A3 with stable outlook by Moody's. LCH Limited and LCH SA are rated AA- with stable outlook by S&P.

Foreign Exchange

The majority of LSEG revenues and expenses are in US dollars followed by sterling, euro and other currencies.

	USD	GBP	EUR	Other
2023 Total Income[2]	60%	16%	16%	8%
2023 Underlying Expenses[3]	53%	24%	8%	15%

2023 Total Income by division	USD	GBP	EUR	Other
Data & Analytics[2,4]	66%	11%	12%	12%
Capital Markets	63%	18%	18%	1%
Post Trade[4]	26%	41%	32%	2%

Spot/Average Rates

	Average rate 12 months ended 31-Dec-23	Closing rate at 31-Dec-23	Average rate 12 months ended 31-Dec-22	Closing rate at 31-Dec-22
GBP : USD	1.243	1.275	1.237	1.203
GBP : EUR	1.150	1.154	1.173	1.127

1 Leverage is calculated as operating net debt (i.e. net debt before lease liabilities and after excluding amounts set aside for regulatory and operational purposes) to adjusted EBITDA before foreign exchange gains or losses.
2 Total income includes recoveries.
3 Underlying expenses includes cost of sales and adjusted operating expenses.
4 Due to rounding, income percentages do not add to 100%.

Sustainability

Aligned with our purpose, our central role in capital markets and presence throughout the trade lifecycle, LSEG is uniquely positioned to play a leading role in enabling sustainable economic growth.

LSEG colleagues eligible for our sustainability learning programme

2,000

The content in this section is complemented by our standalone 2023 Sustainability Report and our Sustainability Databook, both available online at www.lseg.com/en/sustainability-strategy/disclosures-and-reports.

Sustainability strategy

In this section we summarise our sustainability strategy and how we address material sustainability risks and opportunities, with further detail in the 2023 Sustainability Report and Sustainability Databook.

Our approach to sustainability is guided by LSEG's purpose to drive financial stability, empower economies and enable customers to create sustainable growth. This shapes everything we do and helps us to deliver long-term value for our stakeholders. One of LSEG's Group Strategic Objectives (GSO) is to establish LSEG as a strategic enabler and leader of sustainable economic growth. This strategic objective is embedded in the business as each division and function is required to set an aligned divisional objective in support of the GSO, with KPIs attached. Further information about our GSOs can be found on pages 139 to 141.

Sustainability themes

Our sustainability strategy is framed by three broad themes that are shaping financial markets, and where we seek to amplify our impact. Within each theme we have set objectives which are delivered via our products and services, market engagement and policy advocacy, and our operations. The themes are:

Climate transition

Decarbonising the global economy is critical to minimising adverse social and environmental impacts associated with climate change. This requires significant resources to be directed towards the transition globally while ensuring that the costs and benefits of this are shared fairly within and between countries. LSEG supports a just transition through its market engagement and policy advocacy, alongside a range of sustainable finance and investment solutions.

Growth of the green economy

Alongside decarbonising the economy, it is important that we create, scale and deliver solutions to critical sustainability challenges. LSEG enables sustainable economic activity in the capital markets through its financial markets infrastructure, data and market engagement.

Inclusive economic opportunity

An inclusive economy enables people to participate in, and benefit from, economic growth, regardless of their gender, ethnicity, religion, social background, disability, or any other personal characteristic. LSEG creates an inclusive culture internally and supports economic empowerment programmes in communities.

Key sustainability topics

To help us prioritise sustainability topics we commissioned an independent materiality assessment in 2021. This sought views from key stakeholder groups including customers, colleagues, suppliers and investors. It also included a wider review of the regulatory landscape applicable to LSEG. Further detail about the assessment can be found on page 8 of our 2021 Sustainability Report alongside a full list of sustainability issues. The four sustainability issues of greatest importance are: sustainable finance, climate risk management, talent attraction and retention, and information security and data privacy. These issues have the potential to affect our execution of business strategy, revenues, operating costs, business continuity and reputation. We are conducting a double sustainability materiality assessment which will be finalised in 2024, considering the impact of LSEG on society and the environment, as well as the risks and opportunities to our business from sustainability. We will share the results of this in future reports.

More information on our key sustainability topics can be found on page 5 of our 2023 Sustainability Report.

Governance and oversight

The LSEG Board approves the Group's sustainability strategy, including the climate transition plan and sustainability reporting, and holds executive management to account for its delivery. Sustainability is on the Board agenda at least twice a year. The Audit Committee oversees applicable sustainability-related reporting requirements, and the Board Risk Committee oversees and advises the Board on the current risk exposures and profile of the Group including sustainability risks, emerging risks and future risk strategy and risk culture.

The Executive Committee is responsible for setting the Group's sustainability ambition, agreeing the strategy, monitoring progress and approving sustainability reporting.

The Executive Risk Committee is an Executive Committee sub-committee responsible for the consideration and oversight of risk matters, including those which relate to sustainability. The Committee focused on risk culture, risk profile oversight, risk policy oversight, risk appetite and risk disclosure and reporting.

The Sustainability Committee is an Executive Committee subcommittee responsible for providing direction and oversight of the Group's overall sustainability strategy and programmes, including LSEG's Climate Transition Plan. The Committee is chaired by the Chief Risk Officer. The Committee meets at least four times a year and reports to the Executive Committee at least twice a year. Several working groups interact with the Committee, including the Sustainability Working Group, the Climate Transition Steering Group and the Sustainable Finance and Investment Business Forum.

The Chief People Officer is a member of the Executive Committee and is accountable for all aspects of our People strategy, including talent attraction, reward, compensation and benefits, training, development, equity, diversity and inclusion, colleague wellbeing, employment regulation and worker rights including collective bargaining.

Skills and competence

It is important that those involved in overseeing and delivering LSEG's sustainability strategy have appropriate skills and competencies. With respect to the Board, in 2023, new sustainability learning resources were made available to enable them to develop their knowledge. This included the LSEG Sustainability Campus which is an online resource with two core learning pathways and which is available to all colleagues. For colleagues who need to develop a deeper level of knowledge, we have also introduced an online sustainability learning portal, Sustainability Unlocked. This is managed by a third party and has tailored learning pathways. We have identified 2,000 colleagues who will have access to this training.

Sustainability risk management

Sustainability is a Strategic Risk in the Group Risk Taxonomy and is embedded in the Enterprise Risk Management Framework (ERMF). The Sustainability Risk Framework builds on the ERMF and provides further detail on the required control environment for sustainability-related risk which specifically defines roles and responsibilities to deliver expected outcomes in relation to sustainability risks. The dedicated Sustainability Risk team is responsible for developing a Group-wide view of the management and status of sustainability risks and provides second line support to the business to review and challenge its sustainability risk profile. The Sustainability Risk Team reports to the Non-Financial Risk Committee (NFRC) when specific issues arise, and to the Board Risk Committee no less than annually and as needed.

LSEG's Internal Audit team incorporates sustainability into its audit schedule, by looking at sustainability as an embedded part of other audits, or auditing specific sustainability programmes, or sustainable finance and investment products and services.

People

People drive our performance and productivity. Our inclusive culture and values set us apart, leading the way to meeting the needs of our customers and stakeholders, advancing technology and creating a workforce that is future ready. With more than 25,000 people in over 60 countries, we work with ambition and accountability.

Culture and values
Our purpose is the foundation on which our culture is built. Our values underpin our purpose and set the standard for everything we do, every day. They go to the heart of who we are and guide our decision-making and everyday actions. Culture is one of LSEG's GSOs which is focused on fostering diversity, inclusion and a sense of belonging at LSEG, alongside building and developing capability to deliver our goals. During the year we launched LSEG's new values, co-created with our colleagues following extensive engagement and feedback from surveys, virtual and in-person focus groups, feedback from customers, online sentiment and interviews with media partners. Our values are being embedded into our people processes and procedures including recognition, recruitment and performance assessments. Further information about our Sustainability Governance, including our People strategy, can be found on page 24 of our 2023 Sustainability Report.

LSEG's values

Integrity	We stand by our principles and deliver on our promises. We earn trust by acting responsibly.
Partnership	Our open model is integral to how we do business. We forge long-term relationships; we work together to solve evolving needs and deliver strategic outcomes.
Excellence	Our breadth of capabilities sets us apart, globally. We achieve industry-leading outcomes by combining unique, diverse perspectives and knowledge across markets.
Change	We embrace change. We combine human ingenuity, technology, risk management and insight to create the products and services that lead and shape the industry.

Colleague engagement
We saw increased participation in this year's Group-wide colleague engagement survey, LSEG Engage, with 88% of colleagues responding (2022: 86%). The results showed engagement at the same levels seen in 2022 with a score of 75, against an external environment which saw declining levels of overall engagement (source: Microsoft Viva Glint 2023). The engagement score is a combined measure of responses to questions on colleague satisfaction and likelihood to recommend LSEG as a place to work. Results from the survey showed colleagues increasingly understand LSEG's strategy, saw improvement in opportunities to learn and develop, and in the support they received from their people leaders. The survey found that continued focus is needed around addressing barriers to execution, representing an opportunity to make sure our people are better enabled to deliver at their best.

Other forms of colleague engagement, such as Global and Divisional townhall meetings, conversations with the Board and Executive Committee Exchanges continue to have strong colleague interaction. The latter involve members of the Executive Committee holding round table discussions with small groups of colleagues, providing an opportunity for listening, feedback and discussion. Twelve of these were held in 2023.

Learning and development
To ensure LSEG has the necessary skills and capabilities to execute its business strategy and help colleagues define and achieve their career ambitions, the My Career programme was launched. This programme is founded on a skills-based career framework accessible through LSEG's Career Navigator talent-marketplace software, which connects individual personal ambitions with roles across LSEG and helps colleagues build associated development plans.

Aggregated level skill data from Career Navigator is informing the talent strategy for 2024, identifying skill gaps in key areas such as product development and management skills. In 2023, 36% of vacancies (2,700 vacancies) were filled internally in part due to a number of strategic programmes building skills and capabilities. We continue to look for ways to drive internal mobility and expect this to rise over the medium to longer term. Voluntary colleague turnover continued to stay low (less than 10%) in 2023, in line with external market trends, a significant decrease versus prior year.

Equity, diversity and inclusion

We continued our focus on creating an inclusive culture during the year. We introduced inclusive hiring training for all people leaders and ran a data disclosure campaign to increase self-reported colleague diversity data which increased our average data disclosure rate across categories such as ethnicity, gender, disability and sexual orientation from 42% to 69%.

In 2023, we made good progress relative to our diversity goals for gender, however there is room to improve in relation to our goals for underrepresented ethnic and racial groups. By the end of 2023, we exceeded our goal for women in our leadership community, achieving 42% against a minimum goal of 40%. With respect to underrepresented ethnic and racial groups, we did not achieve our goal to reach 20% representation within the leadership community by the end of 2023, closing the year at 14% (2022: 15%). However, we remain firmly focused on closing this gap, building an inclusive environment for our diverse talent through the leadership development programmes we launched in 2022, including Illuminate – targeted towards black and Latinx colleagues – and the APAC Accelerator for those based in Asia-Pacific region. For more information on the measures we are taking, refer to page 26 of our 2023 Sustainability Report.

In 2023, we developed an enhanced methodology to help us review our EDI goals to ensure they remain relevant and can be appropriately measured globally. We have therefore updated our gender and ethnicity diversity goals for our senior leadership community for 2024 and beyond:
— Gender: maintain at least 40% of women in senior leadership (ExCo and Group Leaders) going forward
— Ethnicity: 25% underrepresented ethnic groups in senior leadership roles (ExCo and Group Leaders) by 2027

Alongside these goals, we continue to focus on increasing diversity among the wider leadership group (Group Director and Director Leaders), to build a more diverse pipeline of future senior leaders.

Pay equity

LSEG is committed to building an equitable and inclusive environment for all, including pay structures that are free of bias. We are committed to pay equity which means ensuring that no discrepancies in pay result from differences in personal characteristics, such as gender, ethnicity, age or nationality. Our pay and performance policies are globally adopted and regularly reviewed by LSEG's Executive Committee and Remuneration Committee, with the aim of ensuring market alignment and compliance.

The review used data as of 5 April 2023 and quantified the Identifiable Pay Gap, which shows the gap in pay between two groups that can be attributed to explainable and objective factors (such as seniority, job role, location, business sector, experience and performance) and the Non-Identifiable Pay Gap which shows the remaining gap once these factors have been accounted for.

The 2023 results found that we made progress on the previous year. With respect to gender, we saw a raw pay gap of 29.2%, down from 32.6% in 2022, with a non-identifiable pay gap of 1.2% (down from 1.5% in 2022), in favour of males. With respect to ethnicity (UK and US only) we saw a raw pay gap of 13.4% (down from 17.8% in 2022), in favour of white employees, with a non-identifiable pay gap of 0.8% (up from 0.3% in 2022), in favour of racial and ethnic underrepresented groups. Further detail can be found in our 2023 Sustainability Report and the Sustainability Databook.

Health and wellbeing

We take a holistic approach to wellbeing, with a wide range of resources available to support colleagues' emotional, physical, financial and social wellbeing. This includes the Employee Assistance Programme and a community of 170 Mental Health Champions.

	Scope	Unit	**2023**	2022	2021
Gender					
Women on LSEG plc Board	Global	Number/ Percentage	**5/42%**	6/46%	6/46%
Men on LSEG plc Board			**7/58%**	7/54%	7/54%
Women in senior leadership roles (ExCo and Group Leaders)	Global	Number/ Percentage	**41/42%**	42/40%	34/33%
Men in senior leadership roles (ExCo and Group Leaders)			**57/58%**	64/60%	69/67%
Women People Leaders	Global	Number/ Percentage	**1,488/36%**	1,388/35%	1,024/33%
Men People Leaders			**2,672/64%**	2,568/65%	2,046/67%
Women in workforce	Global	Number/ Percentage	**10,928/43%**	10,513/43%	9,920/43%
Men in workforce			**14,680/57%**	13,783/57%	13,341/57%

Ethnicity					
Underrepresented ethnic groups on LSEG plc Board	Global	Number	**2**	2	2
Underrepresented ethnic groups on LSEG plc Board	Global	Percentage	**17%**	15%	15%
Underrepresented ethnic groups in senior leadership roles (ExCo and Group Leaders)	Global	Number	**13**	14	14
Underrepresented ethnic groups in senior leadership roles (Exco and Group Leaders)	Global	Percentage	**14%**	15%	16%
Underrepresented ethnic groups as People Leaders	UK and US	Number	**494**	401	273
Underrepresented ethnic groups as People Leaders	UK and US	Percentage	**26%**	26%	22%
Underrepresented ethnic groups in workforce	UK and US	Number	**2,256**	1,933	1,859
Underrepresented ethnic groups in workforce	UK and US	Percentage	**32%**	33%	31%

This year we introduced new leave entitlements, in line with our values and ambition to become one of the greatest places to work. These include paid bereavement leave, ten days' fully paid carer's leave and six weeks' paid transitioning leave for those who need time as part of a gender transitioning journey. We have also introduced policies to support colleagues affected by HIV/AIDS and Menopause Guidance, which includes a range of information and resources, supported by trained menopause champions.

We support our people through crises and challenges due to global conflict, prioritising their wellbeing and safety. We work with their People Leaders to make sure anyone impacted has the immediate and long-term support they need as the situation evolves.

Business conduct

All colleagues are required to complete mandatory training on our Code of Conduct to ensure high standards of business conduct are maintained. In 2023, 99.8% of colleagues completed the training.

The Group has zero tolerance for financial crime as it undermines the rule of law, democratic processes, and the wellbeing and human rights of citizens. It also 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. This is supported by mandatory training for all colleagues.

Human rights

We are committed to respecting and preserving the human rights of all colleagues, contractors and those in our supply chain. Our Human Rights Policy commits us to: the freedom of association and the effective recognition of collective bargaining; eliminating all forms of forced and compulsory labour and the abolition of child labour; and eliminating discrimination in respect of employment and occupation.

We regard all forms of modern slavery and human trafficking as a crime and a violation of fundamental human rights. While LSEG operates in a sector where the risk of modern slavery and human trafficking in the workforce is inherently low, we are committed to implementing and promoting practices which combat modern slavery in all its forms. As a UK headquartered business, we are committed to adhering or complying with the UK Modern Slavery Act 2015 and our Modern Slavery Act Statement can be found on lseg.com.

Whistleblowing

Colleagues, contractors and suppliers can raise concerns about adherence to our Code of Conduct, relevant laws and regulations or conduct which is potentially unethical or harmful. LSEG's Speak Up Policy sets out how concerns can be raised confidentially while offering individuals protection from retaliation such as demotion or the withholding of promotion, reduction of wages, discrimination, victimisation, harassment or unjustifiable disciplinary proceedings.

Reports can be made confidentially, and anonymously if preferred, via the 24-hour Speak Up hotline (phone and online) which is independent from LSEG or with the Legal & Compliance or Risk functions. All whistleblowing reports are reviewed by a Speak Up triage team and reported to the Audit Committee. Between 1 January and 31 October 2023 there were 136 reports made[1]. All reports are investigated fully and action taken as appropriate.

1 FY2023 Speak-up data is for the period 1 January 2023 to 31 October 2023. FY2022 data is for the period 1 April 2022 to 31 December 2022 because in April 2022 LSEG's new "Speak Up" programme came into effect. Moving forward this data will be reported from 31 October every year for a 12-month period to align with external audit process.

Community

The LSEG Foundation is the main channel for our community investment and engagement and is an independent charity partner registered with the Charities Commission for England and Wales. The LSEG Foundation Board is overseen by a Trustee Board, chaired by the LSEG Chief People Officer, five employee trustees and two independent trustees.

The Foundation provides grants to charity partners and non-profit groups that focus on economic empowerment, sustainable economy, and disaster relief. During 2023 the LSEG Foundation gave almost £4 million in grants to 103 charity partners. Charity partners were also supported through employee volunteering with 4,933 colleagues using their paid time off for volunteering. Funding for humanitarian relief caused by conflict or natural disasters was granted to support those impacted by earthquakes in Turkey and Syria, floods in Libya, and the conflicts in Ukraine, Israel and Palestine.

> The LSEG Foundation supports economic empowerment programmes in the communities we operate in and it also supports the transition to a sustainable economy through key strategic partnerships.

David Schwimmer
Chief Executive Officer

Climate

This section sets out LSEG's approach to climate change, including the related risks, opportunities and impacts. Here, we also set out targets in relation to our operational emissions and we discuss the progress we are making towards setting targets for our products and services, and with respect to our engagement with stakeholders and policy-makers. This section responds to disclosure requirements under Listing Rule 9.8.6 R (8) for reporting in line with the Taskforce for Climate-related Financial Disclosure (TCFD) and the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. Summary level information is presented in this section, while further detail can be found in the 2023 Sustainability Report.

Risks, opportunities and impacts

Climate change presents both risks and opportunities, which impact LSEG in a number of ways over different timeframes:

Short-term	0–3 years
Medium-term	3–10 years
Long-term	10–30 years

The actual or potential impact on LSEG of these risks and opportunities vary in magnitude. When identifying and assessing climate-related risks or opportunities we define the "substantive financial or strategic impact" according to the magnitude of the financial cost or reputational impact on the Group, as well as the likelihood that the risk will occur. These risks and opportunities are likely to impact business strategy and operations, our product portfolio, client target and/or resource mix. We quantify the minimum threshold necessary to evaluate a potentially substantive financial or strategic impact as a climate-related disruption to the Group resulting in an impact greater than £10 million. Alongside this, we consider emerging risks, which are newly developing risks that cannot yet be fully assessed but that could, in the future, affect the viability of the Group or a Division over a longer-term time horizon.

Transition-related risks and opportunities arise from the transition to a low carbon economy; while not an exhaustive list, examples of some of those relevant to LSEG are as follows:

- Policy and legal: introduction of regulation, such as that related to disclosure, impacts LSEG as we are required to comply with international and national reporting requirements, or those associated with climate-related products and services. These introduce new Director duties, increase operational and compliance costs, and impact the management of our climate-related risks and opportunities. These regulatory changes also affect our customers which in turn creates an opportunity for LSEG to support them with appropriate market data and infrastructure.
- Technology: we rely on technology to deliver our products and services to customers, including data management in data centres. Changes to technology, energy prices or carbon costs could potentially impact LSEG's operations.
- Market: as we transition towards a net zero economy our customers' needs are changing. There is growing demand for sustainability-related market data and infrastructure that help investors, corporates and financial institutions inform decision-making around strategy, capital raising and allocation and investment. LSEG provides a large and growing range of sustainable financial investment products and services to its customers.

We have conducted analysis of transition risk specifically looking at the potential costs of carbon under three recognised climate scenarios from the Network for Greening the Financial System (NGFS). This work underscored the importance of pursing our emission reduction targets, as failure to meet these could lead to significant annual costs if we become subject to carbon pricing in the future as defined by these scenarios. Further detail about the analysis can be found in the 2023 Sustainability Report, on pages 16 to 17.

Physical risks arise from changing weather patterns associated with climate change and can affect LSEG as follows:

- **Acute physical risks:** the notable increase in the frequency and severity of extreme weather events, such as floods, windstorm and drought, are relevant to LSEG's international property portfolio. Extreme weather events could adversely impact our properties, data centres, our employees or surrounding infrastructure, which could cause business interruption. Given recent incidences of flooding in India and Sri Lanka which impacted LSEG over the course of 2022, we continue to carry out extensive reviews, including the initiation of a detailed environmental assessment of our property locations.
- **Chronic physical risks:** increasing global average temperatures could negatively impact LSEG. Some parts of our international property portfolio are at greater risk of extreme temperatures which in turn could require greater cooling to ensure business continuity, which adds to operational costs.

We have conducted an analysis of physical risks to LSEG by using recognised climate scenarios set out by the Intergovernmental Panel on Climate Change (IPCC). LSEG locations at greater risk from chronic climate risks include Southeast Asia and the Middle East. Further information about this analysis can be found in the 2023 Sustainability Report, on pages 18 to 19.

We recognise the opportunity to fulfil customers' changing needs as demand for sustainable finance and investment products and services grow. As a leading provider of financial market data and infrastructure LSEG can provide products and services which help to support the transition to a low carbon economy. Our offerings span data, analytics, indices, capital raising and corporate services. For over 20 years we have been playing a leading role in sustainable finance, bringing together expertise, powered by transparent and robust data for our customer and market participants. Further information about our products and services can be found in the 2023 Sustainability Report pages 9 to 11.

Climate Transition Plan

We published our first Climate Transition Plan in 2022 which sets out how we are aligning with the goals of the Paris Agreement[1] in our operations, market engagement and our products and services. We have set targets to address our operational emissions and engagement with our supply chain, and we're in the process of setting targets related to our market engagement, products and services, through our membership of the Net Zero Financial Service Provider Alliance (NZFSPA).

1 Through the 2015 Paris Agreement, world governments committed to limiting global temperature rise to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. In 2018, the Intergovernmental Panel on Climate Change (IPCC) warned that global warming must not exceed 1.5°C above pre-industrial temperatures to avoid the catastrophic impacts of climate change. To achieve this, GHG emissions must halve by 2030 – and drop to net zero by 2050.

Our targets to reduce our operational emissions and engage suppliers are approved by the Science Based Target Initiative (SBTi). While we have an ambition to reach net zero[1] by 2040 we have not set a formal, SBTi approved target in this respect to date as we have been prioritising work to achieve our 2030 targets. In future we will review whether, and if so when, we will formalise our net zero ambition into an SBTi approved target.

Our targets:
— Reduce absolute Scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year.
— Reduce absolute Scope 3 GHG emissions from fuel and energy related activities (FERA), business travel, home working and employee commuting by 50% by 2030 from a 2019 base year.
— 67% of Scope 3 emissions from purchased goods and services covered by science-based targets by 2026.

An important part of our climate transition plan is our range of products and services which help our customers achieve their climate goals. LSEG is a founding member of the NZFSPA, which comprises a group of financial service providers who are committed to aligning their business with net zero and integrating this into relevant products and services offered to capital market participants. Subject to legal, regulatory and professional standards, Alliance members commit to align relevant products and services to achieve net zero by 2050 or sooner, scaling and mainstreaming Paris-alignment into the core of the business. The commitment also incorporates capability building, stakeholder engagement and operational impacts. The Alliance works through several sub-groups and given its diverse business model, LSEG is involved in three of these, including exchanges, data providers and indices. Each sub-group has defined a target-setting framework which is in the process of being approved by the UN Race to Zero, after which Alliance members will set and publish their firm-level targets. We will share these in future reports when available.

Progress against our targets

We publish comprehensive data regarding our GHG emissions in our Sustainability Databook which is a companion document to the 2023 Sustainability Report. In line with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, we also publish our Streamlined Energy and Carbon Report (SECR) table on page 68.

In 2023, our Group carbon footprint increased by 13% relative to 2022. This is principally due to increased levels of office occupancy and business travel, as well as an increase in spend on goods and services, returning to more normal levels following the global pandemic. There has also been a material increase to UK DEFRA emission factors which are used to calculate air travel emissions which has driven a significant in-year increase.

Despite the increase in 2023 emissions relative to 2022, we remain well on track to meet the 2030 targets that we set out above. With respect to our target on Scope 1 and 2 (market) emissions we closed the year having reduced 90%, against our 2019 baseline. With respect to our target on Scope 3 emissions from business travel, home working and employee commuting, we closed the year having reduced 13% against our 2019 baseline. When including FERA, this meant that by the end of 2023, we had reduced our carbon emissions addressed by our Climate Transition Plan by -29% from a 2019 baseline. Scope 3 emissions from purchased goods and services account for over 90% of our total carbon footprint. In order to reduce these emissions, we are focused on engaging with our supply chain. Our target is to ensure that suppliers responsible for at least 67% of our Scope 3 (purchased goods and services) emissions have adopted their own science-based emission reduction targets by end 2026. We are on target to achieve this, closing the year at 44%.

TCFD/CFD Statement of Compliance

We have been a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations since 2017. LSEG plc has complied with the requirements of 9.8.6 R (8) by including climate-related financial disclosures consistent with the TCFD recommendations. The climate-related financial disclosures made by LSEG plc comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (CFD). Please see the TCFD summary table for an overview of our approach, and further detail in the 2023 Sustainability Report.

Further detail about our Climate Transition Plan, including progress against targets, can be found in our 2023 Sustainability Report and comprehensive climate data is in our Sustainability Databook. We have adopted this approach due to the comprehensive and technical content of the climate-related financial disclosures and are better able to provide comprehensive and decision-useful reporting in our 2023 Sustainability Report.

We are monitoring the development of reporting standards and requirements including the International Sustainability Standards Board (ISSB), The Taskforce on Nature-related Financial Disclosure (TNFD) and the EU Corporate Sustainability Reporting Directive (CSRD) and will align with these in a timely manner. Further detail on how LSEG intends to be an early adopter of the TNFD can be found on page 22 of our 2023 Sustainability Report.

1 Our working definition of net zero is that of the SBTi Corporate Net Zero Standard V1.1 2023 which states that a state of net zero emissions involves: (a) reducing scope 1, 2 and 3 emissions to zero or a residual level consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C scenarios or sector pathways and (b) neutralising any residual emissions at the net zero target date – and any GHG emissions released into the atmosphere thereafter.

Climate-related Financial Disclosure – TCFD and CFD		Cross-reference to CFD requirements
Governance Disclose the organisation's governance around climate-related risks and opportunities.	**The Board's oversight of climate-related risks and opportunities** The LSEG Board has ultimate oversight of the organisation's sustainability strategy, including its management of climate-related risks and opportunities, ensuring the long-term success of the Company and that stakeholders' expectations are understood and met. During 2023 sustainability was on the Board agenda twice. The Audit Committee is responsible for overseeing climate-related reporting, and held a deep dive on reporting regulation in 2023. The Board Risk Committee is responsible for overseeing the Group approach on sustainability risks, including those arising from climate. The Board is responsible for holding executive management to account for the delivery of its sustainability strategy. **Management's role in assessing and managing climate-related risks and opportunities** The Executive Committee is responsible for setting the Group's sustainability ambition and strategy, monitoring progress and approving disclosures. The Sustainability Committee is responsible for providing direction and oversight of the Group's overall sustainability strategy and programmes, including its Climate Transition Plan. The Sustainability Committee is chaired by the Chief Risk Officer and meets four times a year or more frequently as required. It reports to the Executive Committee and Board at least twice a year. Further detail can be found in our 2023 Sustainability Report on pages 7 and 15.	The governance arrangements in relation to assessing and managing climate-related risks and opportunities (414C – a)
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	**The climate-related risks and opportunities we have identified over the short, medium and long term** Risks and opportunities arise from regulatory, technology and market changes as we transition to a low carbon economy as well as acute and chronic physical risks from a changing climate. We have evaluated actual and potential impacts of climate-related risks and opportunities which helps us understand the resilience of our strategy, taking into consideration different climate-related scenarios. In 2023, we updated analysis of physical risks associated with our property and datacentre portfolio. We also updated our assessment of transition risks under Network for Greening the Financial System (NGFS) scenarios, including the financial quantification of risks. From a transitional perspective, carbon pricing could have a significant financial impact if our Climate Transition Plan is not effectively executed. From a physical risk perspective, a third of our locations are exposed to a high level of heat stress, predominantly located in Southeast Asia and the Middle East. When looking at longer-term exposure to 2050, drought and fire risks substantially increase in a 4°C world.	The principal climate-related risks and opportunities arising in connection with the Company's operations and the time periods they are assessed (414C – d)
	The impact of climate-related risks and opportunities on our businesses, strategy and financial planning In our analysis we used the predicted carbon price in each NGFS scenario in the short, medium and long-term to estimate the potential costs associated with LSEG's three possible emission pathways, assuming we pay for all emissions in scope of the analysis. The results show that significant costs associated with carbon pricing could be avoided through the implementation of our planned decarbonisation pathway, reducing our emissions in line with our SBTi targets. Conversely, if LSEG fails to achieve its targets, significant cost would be associated with a business-as-usual scenario in a world that is trending towards net zero in 2050. Looking ahead, we remain fully committed to acting as a strategic enabler of sustainable economic growth, in line with our purpose statement (see page 26 of this report). Throughout 2024, we will continue developing our product offering in SFI in areas such as ESG indices, the Green Economy Mark, and our Sustainable Bond Market.	Actual and potential impacts of the principal climate-related risks and opportunities on the Company's business model and strategy (414C – e)
	The resilience of our strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario We have disclosed the assessment of climate-related risks and opportunities on the business, and how it pertains to our science-based targets and decarbonisation trajectory. We have quantified across short-, medium- and long-term time horizons the impact of transitional risk as assessed against NGFS carbon pricing scenarios, as well as our physical risk exposure. This assessment includes a 2°C or lower scenario under both physical and transitional analysis. This analysis re-emphasises the need to continue to deliver on our Climate Transition Plan, as our decarbonisation initiatives will mitigate the impact of potential carbon pricing on the business. From a physical risk perspective, the output of our scenario analysis will feed into our location strategy, ensuring climate change is considered when thinking through longer-term strategic location plans. The physical risks we face are also mitigated by the fact that the majority of our locations are leased, and we have robust business interruption plans in place. Further detail can be found in our 2023 Sustainability Report pages 15 to 19.	Analysis of the resilience of the Company's business model and strategy, taking into account consideration of different climate-related scenarios (414C – g)

Climate-related Financial Disclosure – TCFD		Cross-reference to CFD requirements
Risk management How we identify, assess and manage climate-related risks.	**Our processes for identifying and assessing climate-related risks** We identify climate-related risks as part of our Group Risk Taxonomy. Sustainability is a specific strategic risk which pulls out climate transition as an underlying risk. We use scenario analysis to identify and assess climate-related risks, using NGFS scenarios for transition risk and IPCC for physical risk. This analysis re-emphasises the need to continue to deliver on our climate transition plan, as our decarbonisation initiatives will mitigate the impact of potential carbon pricing on the business. From a physical risk perspective, the output of our scenario analysis will feed into our location strategy, ensuring the evolution in climate is considered when thinking through longer-term strategic location plans. The physical risks we face are also mitigated by the fact that the majority of our locations are leased, and we have robust business interruption plans in place. Revenues are not location or site dependant to a large degree.	How the Company identifies, assesses and manages climate-related risks and opportunities (414C – b)
	Our processes for managing climate-related risks Climate risks identified in the risk taxonomy are managed through the ERMF. Responsibility for management, mitigation and adaptation of climate-related risks rests with the business units and corporate functions. This process is supported by the Group Risk function and by the governance groups which provide oversight, independent assessment and, as appropriate, challenge back to the business. Risks and opportunities with a potential substantial impact will be raised and factored into business strategy and operations. Principal risks are those considered to have the highest potential financial or strategic impact and are defined based on magnitude of financial costs to the Group as well as reputational impact. In addition to ongoing assessment, climate risks are specifically assessed as part of climate risk modelling activities.	
	How our processes for identifying, assessing and managing climate-related risks are integrated into overall risk management The Group is subject to a variety of risks which may have an impact on our ability to deliver our strategic plan. These include sustainability-related risks which have been integrated into LSEG's risk-management processes and procedures and are reflected in our risk taxonomy and ERMF. Sustainability is a specific strategic risk, manifesting in product risk strategy (the risk that the products we create do not meet customers' needs and expectations), greenwashing, worsening ESG ratings and a failure to deliver on our climate transition targets. Sustainability risks are also embedded within a wide range of other existing strategic and non-strategic risks within our risk taxonomy, including Operational Resilience; People; Regulatory, Compliance, Legal and Corporate Disclosure; and Financial and Model Risks. Further information can be found in our 2023 Sustainability Report on page 38.	How processes for identifying, assessing and managing climate-related risks are integrated into overall risk management (414C – c)

Refer to pages 20 to 23 for more information on the Group's key performance indicators.

Climate-related Financial Disclosure – TCFD		Cross-reference to CFD requirements
Metrics and targets The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	**The metrics used to assess climate-related risks and opportunities in line with our strategy and risk management process** Metrics used to assess climate-related risks include our operational emissions footprint (tonnes of CO_2e), number of suppliers with science-based targets, actual and potential cost of carbon and physical risk exposures (including total value insured and value at risk). Metrics used to assess climate-related opportunities relate to our suite of sustainable finance and investment products and services. Further information and data relating to these metrics can be found in the KPIs section of this report on pages 20 to 23, in our 2023 Sustainability Report on pages 9 to 11, 20 to 21 and our Sustainability Databook on pages 4 to 6.	Key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based (414C – h)
	Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks We disclose our Scope 1, Scope 2 and some Scope 3 emissions which can be found in our Sustainability Databook on pages 4 to 6. Further detail about progress against our emissions targets can be found in our 2023 Sustainability Report on pages 20 to 21. **The targets used to manage climate-related risks and opportunities and performance against targets** With respect to our operational emissions, we have set science-based targets, aligned with the goal of the Paris Agreement, approved by the Science Based Targets initiative (SBTi) as described on the preceding pages. These targets include our Scope 1 and 2 emissions, and Scope 3 emissions from fuel and energy related activities (FERA), business travel, home working and employee commuting. We also have a supplier engagement target which relates to Scope 3 emissions from purchased goods and services. While decarbonisation is the primary focus to reduce our operational emissions we also recognise the need to take responsibility for the emissions we are generating from our day-to-day activities. We offset our Scope 1, 2 and 3 (FERA, business travel and employee commuting) by buying carbon credits which meet recognised quality standards. We have a work programme in place to monitor, manage and reduce our emissions covered by these targets. This programme is organised into four key glidepaths: Places, People, Travel and Procurement. We have summarised progress towards these targets in this report and further detail can be found in our 2023 Sustainability Report and the Sustainability Databook. As members of the Net Zero Financial Service Provides Alliance we will set targets related to our products and services and disclose these in future reports. Further detail about progress against our emissions targets and use of carbon offsets can be found in our 2023 Sustainability Report pages 20 to 22.	The targets used by the Company/LLP to manage climate-related risks and to realise climate-related opportunities and of performance against those targets (414C – g)

Streamlined Energy and Carbon Reporting (SECR) Requirement

LSEG calculates all available emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, along with the addition of fugitive and process emissions and the extension of the scope to global emissions, rather than UK emissions only. LSEG calculates greenhouse gas emissions to cover all material sources of emissions for which the Group is responsible. The methodology used was that of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2015). Responsibility for emissions sources was determined using the operational control approach.

		Unit	**2023**	2022	2021	2020	2019	% change vs 2022
Total	Energy Consumption	Kilowatt-hours	**164,011,741**	164,955,639	262,134,466	276,810,614	371,895,033	-1%
UK	Energy Consumption	Kilowatt-hours	**51,699,028**	56,452,497	54,401,256	80,552,486	118,956,031	-8%
	Scope 1	Metric tonnes	**209**	458	556	716	1,381	-54%
	Scope 2 – Market Based	Metric tonnes	**7**	612	422	577	153	-99%
	Scope 2 – Location Based	Metric tonnes	**10,438**	10,672	10,908	17,758	27,805	-2%
	tCO_2e/FTE (Scope 1 and 2 Location Based)	Metric tonnes	**2**	3	2.53	4.07	6.75	-8%
	tCO_2e/FTE (Scope 1 and 2 Market Based)	Metric tonnes	**0.05**	0.24	0.22	0.28	0.35	-81%
EMEA	Energy Consumption	Kilowatt-hours	**5,495,228**	5,646,972	12,353,859	14,077,652	42,882,337	-3%
	Scope 1	Metric tonnes	**100**	7	4	5	34	1,255%
	Scope 2 – Market Based	Metric tonnes	**38**	71	586	755	1,082	-47%
	Scope 2 – Location Based	Metric tonnes	**1,917**	2,061	4,928	4,709	9,043	-7%
Americas	Energy Consumption	Kilowatt-hours	**69,943,043**	73,162,491	155,778,235	130,961,747	158,530,000	-4%
	Scope 1	Metric tonnes	**444**	547	187	450	393	-19%
	Scope 2 – Market Based	Metric tonnes	**164**	3,188	1,786	2,431	6,550	-95%
	Scope 2 – Location Based	Metric tonnes	**39,175**	40,476	77,060	63,969	80,463	-3%
APAC	Energy Consumption	Kilowatt-hours	**36,874,442**	29,674,070	39,189,207	49,521,785	48,161,602	24%
	Scope 1	Metric tonnes	**161**	438	253	788	356	-63%
	Scope 2 – Market Based	Metric tonnes	**78**	297	343	2,729	2,405	-74%
	Scope 2 – Location Based	Metric tonnes	**21,393**	16,627	13,670	25,208	25,895	29%

Board engagement with stakeholders

The Board recognises the importance of engaging with the Group's stakeholders throughout the year.

Meaningful engagement and two-way dialogue allows the Board to understand: the interests, needs and concerns of the stakeholders relevant to the Company's success; how they influence the operation of the business model; the delivery of strategy and decision-making; and the actions that the Board and management need to take in response.

The following pages set out how the Board has engaged with, and sought to understand the views of, our key stakeholders:
Customers
Workforce
Policymakers, Regulators and Supervisors

Engagement with our stakeholders has been achieved through a combination of direct Board engagement and indirect engagement, for example via executive management. Our management team is constantly engaged with stakeholders. The content from these interactions is fed into our business planning processes and Board reports as routine practice. In addition, the Board recognises that the Company's shareholders are a key stakeholder, and the views and interests of shareholders influence the decisions and actions taken by the Board.

The Board seeks to engage with shareholders throughout the year with more detail provided in the Corporate Governance Report on page 99. The Board will seek to continue its engagement with stakeholders throughout 2024. Further information on the activities of the Board can be found on page 100.

Read more about the activities of the Board in the Corporate Governance Report beginning on page 90.

Customers

Our diversified global business is built on customer partnership, delivering value across the trading lifecycle in Data & Analytics, Capital Markets and Post Trade.

We believe that aligning our strategy, services and products to the needs and interests of our customers is central to driving sustainable long-term value growth.

Customers we serve

45,000+

How the Board has engaged
The Board considers customer feedback in order to understand our customers' views on the Group's products and services as well as the ways that they would like us to improve our offering. Customer engagement meetings help senior management to understand customer views and build strategic relationships with them.

During 2023, the Group CEO and other executives engaged with customers in a number of ways, including: an extensive global outreach programme to key customers; individual meetings with particular emphasis on product offerings, technology transformation and operational resilience; and attendance at various round tables and conferences, including the COP28 and the FTSE Russell World Investment Forum to meet asset owners and asset managers in person.

In 2023, the Board met with a strategic customer, to hear first hand about how the Group could further support them across the entire financial markets value chain.

Many of our shareholders are also customers and so the Group regularly receives informal customer feedback through investor outreach programmes. The Board also received an update on the Group's relationships with the major banks who are both customers and suppliers of finance to the Group.

Key matters for stakeholder group
Key matters for customers include product offering, product innovation, a focus on digitisation/transformation, managing and reducing costs, and system stability.

How this engagement influenced Board discussions and decision-making
Customer feedback is regularly communicated by the Group CEO, CFO and members of the Executive team to the Board and this is taken into account when decisions and actions are taken which could impact customers. A specific agenda item is also included at each Board meeting focusing on a particular customer relationship or issue relating to customers.

A key area of focus for our customers is the development of new products and services. Following the announcement of the strategic partnership with Microsoft, the Board reviewed initial customer responses to the partnership including their insights on the proposed Workspace, analytics and cloud platform solutions. The Board discussed the launch of the Design Partner Programme which seeks to enhance the innovations generated by the Microsoft partnership by gathering and analysing data and insights from customers while validating product concepts to ensure the delivery of meaningful customer solutions. The close engagement with strategic customers established by the Design Partner Programme aims to place customer engagement at the centre of the product development process.

During the year, the Board also reviewed LSEG FX product offerings and partnership opportunities to ensure that products continue to solve client needs. The Board discussed FX product strategy and solutions to address issues identified by FX customers. For more information on FX, please see page 39.

The Board considered actions taken to strengthen a longstanding relationship with a key customer to better understand their needs. The outcomes of the engagement process resulted in the customer signing a long-term strategic partnership to deliver a range of capabilities across the full trade lifecycle.

In 2023, the Board also considered the launch of a brand transformation programme in order to increase stakeholder awareness and clarity around the LSEG brand. A new brand architecture and advertising campaign was introduced aimed at educating existing and prospective customers about the Group's brands and business areas. This is a multi-year project and the Board will continue to receive updates on the brand transformation programme, particularly customer insights and sentiment towards it. Further information can be found in our Strategic Report on page 29.

Workforce

The Group's workforce is over 25,000 people in over 60 countries. Our global exposure and customer base are one reason why our diverse workforce is fundamental to the success of the Group. Regular two-way dialogue with, and feedback from, employees at every level is sought to ensure that there is meaningful dialogue between the Board and our workforce.

Group workforce

25,000+

How the Board has engaged

Engagement with our employees includes formal and informal meetings, an annual employee engagement survey and townhall meetings.

The Board seeks to engage with a wide cross section of employees to better understand their perspectives on the business. Board members engaged in person with employees during their visit to the Paris office in 2023. The Board met and received presentations from EMEA-based management on the Group's operations in the region and also engaged more informally over lunches and dinners.

Non-Executive Directors also continued their programme of engagement, meeting virtually with employee forums in key regional locations across the world. Colleagues who took part in these conversations were encouraged to canvas views from other employees to share with Board members; which provided Board members with an opportunity to gain insight into the culture and any concerns at different levels of the business. Directors provided feedback to the Board at the next Board meeting and the engagements were shared with the workforce via intranet articles and videos. These engagements included:

— Don Robert, Tsega Gebreyes, and William Vereker meeting with colleagues from the North and Southeast Asia region.
— Martin Brand and Kathleen DeRose meeting with colleagues from the EMEA region.
— Martin Brand and Val Rahmani meeting with colleagues in the South Asia region.
— Cressida Hogg and Tsega Gebreyes meeting with colleagues from the Americas region.

During 2023, the Group launched its new values via a global streaming event, watched by over 19,000 employees. The event was led by the Group CEO and other members of the Executive Committee. The values were developed with input from employees via focus groups, workshops and an all-employee survey. Further information on the new values can be found on page 60.

Townhalls were held at the Group and at Divisional levels, and topics were tailored to the different audiences with interactive Q&A sessions. A number of these townhalls were led by the CEO, CFO and other members of the Executive Committee. Over 13,000 colleagues participated in the global townhall for the 2022 full-year results.

The Group CEO and the Group CFO (and other members of the Executive Committee) hosted in-person and virtual engagement sessions with colleagues across the Group's global locations to discuss topics of interest to colleagues. These sessions provided business updates and helped the Board and management to better understand employee concerns and key themes of interest to them.

The annual "LSEG Engage" employee survey provided colleagues with an opportunity to share their views on working at LSEG. 88% of our colleagues participated, sharing over 25,000 comments, representing our highest level of participation to date. The results were then discussed with the Board.

More information on employee engagement can be found on pages 60 to 62 of the Strategic Report.

Key matters for stakeholder group

The key themes arising from the Board conversations and other engagements included were:

— **Ease of doing business** – making it easier to get things done, including increasing agility and empowering local client facing teams.

— **Culture and values** – focus from colleagues on developing an integrated and inclusive culture. Colleagues were supportive of the new values.

— **Communications** – colleagues emphasised the importance of regular communication, including receiving updates on business performance, Group change projects and communications during times of crisis.

— **Career development** – talent acquisition and the desire for opportunities to develop their careers within the Group.

— **Customers** – colleagues expressed to the Board the importance of being able to successfully deliver products and services for our customers.

— **Sustainability** – the Board's strategy on sustainability and achieving net zero.

How this engagement influenced Board discussions and decision-making

Employee feedback led to increased focus on communications to regional offices, including via Town Halls and visits to those locations.

The results of the Engage survey were presented to the Board as part of the annual presentation of People Strategy and culture by the Chief People Officer, including feedback which led to the development of the new values. The Board also reviewed areas of focus identified in the 2023 Engage survey and reflected on themes such as barriers to execution that had also been highlighted in the 2022 Engage survey and actions taken to address these issues.

Colleagues tell us that they value the engagement with Board members and the opportunity to provide honest feedback on their experiences at LSEG. Directors appreciate the Board conversations with colleagues as an invaluable way to understand the needs and feedback from the Group's 25,000+ employees.

Anna Manz
Chief Financial Officer

Policymakers, regulators and supervisors

Maintaining an open and cooperative relationship with policymakers and regulators on matters that affect our Group, industry, customers and people is critically important. The Group has a significant number of regulated entities around the world. These entities are supervised at the legal entity level, with our primary regulators predominantly engaging with the boards of those entities rather than with the Group Board.

Countries we serve

170+

How the Board has engaged

The Board considers policy, regulation and supervisory guidance globally and in the countries in which we operate that may affect the Group's businesses. These matters are also discussed as part of the Chairs' Forum (composed of the Chair of the Group Board and the chairs of a number of regulated subsidiaries), the outputs of which are provided by the Chair to the Group Board at subsequent Board meetings.

Key matters for stakeholder group

Relevant key matters include: market competitiveness, including the attractiveness of the UK as a global financial centre; data issues including localisation, privacy, sovereignty and regulation; sustainability and ESG issues; innovation and technology, including artificial intelligence and digital assets; and resilience and financial stability, including clearing, cloud and operational resilience.

How this engagement influenced Board discussions and decision-making

The Group Board takes into consideration the priorities and focus areas of policymakers and regulators when discharging its duties and responsibilities. This includes Board discussions on setting strategy and assessing the delivery of key objectives.

The Group CEO updates the Group Board on the views and priorities of regulators and policymakers.

The Board takes into consideration relevant regulatory issues when taking decisions, including in relation to matters such as M&A.

Suppliers

Our third-party suppliers are also important stakeholders of the Group. Given their significance, management regularly reassesses the tiering of our suppliers based on factors including the degree of criticality of the goods/services being provided to LSEG, financial spend and risk. The Board approves all supplier contracts with a financial value of £50 million or more (over the lifetime of the contract), and receives updates on the management of, and relationships with third-party suppliers where appropriate.

The Risk Committee provides oversight of the risk relating to third-party suppliers to ensure these arrangements are managed within risk appetite and any issues are appropriately remediated.

In addition to the procurement and ongoing management of suppliers, a number of the Group's subsidiaries are required to report their supplier performance and policies as part of the Small Business, Enterprise and Employment Act 2015. All payment terms and conditions are negotiated with our suppliers, and we ensure that purchase orders are raised and receipted in accordance with the Group's policies.

The Company continues to be a signatory to the Prompt Payment Code, a voluntary code of practice for businesses, administered by the Office of the Small Business Commissioner on behalf of the Department for Business and Trade. It sets standards for payment practices between organisations of any size and their suppliers.

As a signatory, the Company has agreed to:
- pay suppliers on time, within agreed terms;
- give clear guidance to suppliers on terms, dispute resolution, and prompt notification of late payment; and
- support good practice throughout their supply chain by encouraging adoption of the Prompt Payment Code.

Each year we publish a statement setting out the Group's approach to managing its supply chain. More information on the Group's approach to managing its supply chain, including the Group Modern Slavery Statement, can be found at: www.lseg.com/en/sustainability-strategy/disclosures-and-reports

Section 172(1) Statement

Section 172 of the Companies Act 2006 (Section 172) requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole.

Read more about the activities of the Board in the Corporate Governance Report beginning on page 92.

This section forms our Section 172 disclosure, detailing how the Board considered the matters set out in Section 172 (1) (a) to (f) of the Companies Act 2006.

Section 172 requires a director to have regard, amongst other matters, to the:
— likely consequences of any decisions in the long term;
— interests of the company's employees;
— need to foster the company's business relationships with suppliers, customers and others;
— impact of the company's operations on the community and environment;
— desirability of the company maintaining a reputation for high standards of business conduct and;
— need to act fairly as between members of the company.

Throughout the year, the Board engaged directly and indirectly with stakeholders to ensure it had a detailed understanding of the impact of the Group's strategy on key stakeholders, as well as their interests and views. This engagement seeks to ensure the Board is well-informed on key issues to enable the Directors to comply with their Section 172(1) obligations. The Directors recognise that having a good understanding of the views and interests of the Group's stakeholders is critical in delivering the Group's strategy, and in relation to material decisions that were taken by the Board during the course of the year. The Board acknowledges that every decision it makes will not necessarily result in a positive outcome for all stakeholders.

The following principal decisions and activities demonstrate how the Board assessed and addressed different stakeholder interests and impacts in making decisions that support the implementation of the Group's strategy. Principal decisions are those decisions taken by the Board that are deemed to be of strategic importance to the Group, or are significant to LSEG's stakeholders. Examples of how the Board has considered key stakeholders, can be found below. Additional details on how our Board and its Committees operate, their responsibilities and key matters considered during 2023 are contained in the Committee Reports starting on page 106.

Set out below are some examples of how the Directors have had regard to the matters set out in Section 172.

Key matter	Decision	Stakeholders considered
Capital Allocation	The Board reviews and approves capital allocation across the Group and its business divisions. This is within the context of the current market conditions and macroeconomic outlook. The Board seeks to optimise the use of capital resources taking into account applicable regulatory requirements, strategic objectives and LSEG's risk appetite. LSEG's capital allocation approach focuses on: i) investing organically within the business; ii) investing in inorganic opportunities in line with the Group's strategy; and iii) returns to investors. The Group continues to manage capital expenditure in line with strategic directions of growth and resilience. In 2023, the Group allocated 45% of total capital expenditure to our Group strategic and transformational programmes, with the rest of the investment focusing on maintaining business resilience and operational needs. The impact of these capital allocation decisions was beneficial for key stakeholders such as customers, employees and shareholders. **Dividend** As a result of the Group's strong performance in 2023, the Board is recommending a final ordinary dividend of 79.3 pence per share, bringing the total ordinary dividend for 2023 to 115.0 pence per share, an 7.5% increase on 2022 (2022: total dividend 107 pence per share). As part of LSEG's Capital Markets Day (additional information can be found below), LSEG announced a new simplified dividend policy, which will focus on paying progressive dividends, a targeted c.33-40% payout based on expected full-year adjusted earnings per share (AEPS); and a split of approximately one-third/two-thirds between the interim and final dividends. The simplified dividend policy aims to provide shareholders with consistent distributions, while retaining the flexibility to invest and continue to grow the business. **Directed Share Buyback (DSBB)** The Directors utilised the authority obtained at the 2023 AGM to conduct a DSBB with the former Refinitiv shareholders. On 6 September 2023, the Company announced the off-market purchase of 9,500,466 limited voting ordinary shares for a total consideration of £750 million. The purchased shares were immediately cancelled. The purchased shares represented 1.73% of the Company's issued share capital at the time (excluding treasury shares). The Board took into account the views of a wide range of stakeholders, when reviewing the impact of the DSBB. Board discussions considered matters such as the impact on the Group's credit rating and leverage, capital demands, potential M&A, debt capacity, delivery of sustainable returns and, from a colleague perspective, ensuring support for the growth and investment plans of the business. The DSBB aligned with LSEG's capital allocation policy, and resulted in a strong positive impact on investor sentiment. More information about the DSBB is included in the Chief Financial Officer review on page 46. In connection with LSEG's Capital Markets Day (additional information can be found below), LSEG announced the intention to complete £1 billion of additional share buybacks during 2024. **M&A** Increasing ownership of LCH SA In January 2023, Euronext submitted an early termination of its Derivatives Clearing Agreement with LCH SA. The termination notice triggered an option for LCH Group to buy back Euronext's 11.1% stake in LCH SA. The acquisition provided a prudent opportunity to simplify LCH's governance structure and also demonstrated the strategic importance of LCH SA to the LCH Group. The acquisition resulted in the LCH Group's controlling stake in LCH SA increasing from 88.9% to 100%. The acquisition of Euronext's 11.1% stake in LCH SA was for a total consideration of €111 million, which was valued by an independent valuer. The Board received updates on the status of the acquisition, considering key themes such as market landscape and the business performance outlook and approved the acquisition. The updates covered the financial metrics of the acquisition, particularly looking at significant trends impacting the LCH Group's remaining business lines over the medium to long term and considering the implications for both LSEG and the wider industry. The Board acknowledged that the acquisition would be beneficial to employees and customers, as it provides greater certainty around LCH's future.	— Shareholders — Regulators — Credit Rating Agencies — Employees — Pension Schemes

Key matter	Decision	Stakeholders considered
Leverage Target & Funding	**Change in Leverage Target** LSEG's previous capital allocation policy included a leverage range of 1.0-2.0x operating net debt/adjusted EBITDA. In 2023, the Board reviewed whether this leverage range was an optimal capital structure for the Group. Post the Refinitiv acquisition, LSEG has become a demonstrably stronger, more diversified business with increased scale, quality of revenue, cash flow and stability. The Board concluded that a leverage range of 1.5-2.5x was more appropriate for LSEG and would enhance the Group's ability to support organic or inorganic growth. The Group intends to largely operate around the centre of the new range. The increased leverage range means that the Group will typically not operate below 1.5x (which would be relatively less efficient in terms of capital structure) and will have additional flexibility for capital allocation that will support investment in the business for the benefit of customers and help yield greater shareholder returns. When considering the change of leverage range, the Board carefully considered the impact on the Group's credit rating. The Board also considered stakeholders such as regulators and the Group's pension schemes. **2023 Refinancing Activities** Euro Medium-Term Note Programme (EMTN) In August 2023, the Company updated its EMTN programme, which was last used to issue bonds in 2018. Under the updated programme, in September 2023, the Group issued €1.4 billion of three-year and seven-year bonds, with proceeds used to repay the remaining term loan entered into as part of the Refinitiv acquisition in 2021. The Board considered different varieties of shelf long-term debt issuance programmes, considering each programme's market depth, currency availability, execution flexibility and ease of administration. The Board considered whether it was in the Group's best interests to complete the EMTN in the context of opportunities in other markets. It was concluded that it was the best course of action. In taking the decision to approve the EMTN and in overseeing the Group's debt commitments, the Board gave due regard to the Section 172 factors, in particular the impact of the decision on shareholders and the long-term success of the Company.	— Customers — Employees — Shareholders — Regulators — Credit Rating Agencies — Pension Schemes
Capital Markets Day	LSEG hosted its Capital Markets Day (CMD) on 16 and 17 November 2023, which was an opportunity to better inform investors about the LSEG business and its future plans. Management demonstrated to stakeholders LSEG's differentiating factors and the plans to accelerate growth, both through continued organic investment in LSEG's leading businesses and progress on the strategic partnership with Microsoft. LSEG announced updated "medium-term guidance," with the Board noting the benefits this would bring to its shareholders. These included: i) committing to mid to high single digit organic revenue growth annually, accelerating after 2024 as customers start to benefit from our investment in platforms and the Microsoft partnership; ii) an increase to its EBITDA margin; iii) a decline in capital expenditure to a high single-digit percentage of income over time as integration related spend ceases; and iv) cumulative free cash flow to exceed adjusted profit after tax attributable to equity holders. As mentioned above, in connection with the CMD, LSEG also announced the intention to return £1 billion to shareholders via additional share buybacks during 2024. In advance of doing so, the Board considered other potential uses of capital and the importance of being proactive in decisions around LSEG's use of excess capital.	— Shareholders — Investors — Customers

Key matter	Decision	Stakeholders considered
Strategic Partnership with Microsoft	In December 2022, LSEG announced its strategic partnership with Microsoft. During 2023, the Board considered progress of the strategic partnership at every meeting and reviewed a number of its key initiatives. Key developments during 2023 included: i) the combination of Microsoft's strong expertise in generative artificial intelligence in conjunction with LSEG's unparalleled breadth and depth of trusted data and analytics to enable LSEG to further streamline workflow and generate new insights; ii) the launch of Microsoft Fabric, which will be the cornerstone of LSEG's Data Platform; iii) the Design Partner Programme, which is engaging a number of global financial institutions operating across the trade lifecycle to help inform product development, trial prototypes and give feedback as part of an agile and iterative process; and iv) a number of applications entering external pilot and general availability from H1 2024. The Microsoft partnership demonstrates how the Group remains competitive and ensures it maintains a strong market position, investing to transform the customer experience. The Board is committed to further strengthening LSEG's product offering, optimising technology infrastructure and increasing efficiencies within LSEG's operations. The Board considered and took into account the views and interests of customers in respect of the strategic partnership, with LSEG and Microsoft engaging with strategic customers during 2023. This influenced the development of technology solutions and was an opportunity for customers to provide their insights, expertise and key needs.	— Customers — Suppliers — Shareholders — Investors — Employees
Sustainability	LSEG is committed to being an enabler of sustainable economic growth. During 2023, the Board continued to consider both internal and external stakeholders when reviewing LSEG's sustainability approach and the management of climate risks, opportunities and impacts. The Board noted shareholders' expectations for the Company to have a robust approach to sustainability, that customers require solutions to support their own sustainability ambitions and that our employees have sought to work for a company that values sustainability. LSEG's sustainability approach, including the public targets and activities, also affects the Group's supply chain, as well as the communities within which we operate. More details on LSEG's approach to sustainability, can be found in the Sustainability section on page 58 and in the separate 2023 Sustainability Report.	— Communities — Customers — Employees — Shareholders — Suppliers

Principal risks and uncertainties

Managing risk is fundamental to the successful execution of our strategy and to the resilience of our operations.

In addition to our principal risks, we continue to identify and monitor emerging risks which are newly developing external risks and are difficult to quantify due to their remote or evolving nature. In most cases, the mitigation for such emerging risks is to establish appropriate contingency plans and monitor the development of the risk until it can be quantified and removed or included as a principal risk.

For each principal risk, the Group has executive leads with the Chief Risk Officer and Risk function providing a second line of oversight. The risk trend, shown for each principal risk, is based on the Group's 2023 risk profile.

Further information

Our strategic risk objectives, current risk focus, a narrative description of our risk appetite, how LSEG's Risk Management Framework operates, and an overview of the Central Counterparty (CCP) risk management and operations, are well established and are described below.

Risk management

The effective management of risk is critical to the execution of the Group's strategy. Accordingly, the Group maintains a robust enterprise-wide Risk Management Framework which sets out the Group's approach to risk management and its appetite for taking risks. Our regulated entities, including clearing houses, manage their risks in-line with both local regulation and internal risk and investment policies.

Risk culture

A strong risk culture requires everyone to understand and embrace their role in managing risks as this is critical to the effective embedding of the Risk Management Framework.

Risk culture is a key enabler of the three lines of defence model, used to manage risk within LSEG, and is promoted by the Risk Management Framework in three ways:

1. It sets expectations by articulating risk appetite and desired behaviours through policies
2. It ensures risk is considered in key business decisions through frameworks and tools
3. It ensures risk is made transparent and included in accountability and performance management

Three lines of defence

The three lines of defence model provides appropriate segregation of duties and clear roles and responsibilities across LSEG business divisions, corporate functions, Risk, Compliance and Internal Audit. It clearly defines roles and responsibilities, with accountability for risk management sitting within the first line of defence.

Three Lines of Defence

Board/Board Risk Committee/Board Audit Committee

1st line of defence	2nd line of defence	3rd line of defence
Business units — Implementation of business strategy — Day-to-day risk management and decision-making — Effective implementation of the Risk Management Framework, including reporting and escalation	**Risk and compliance** — Review and challenge of business units — Oversee the level of risk appetite within LSEG — Development of the Risk Management Framework — Provide specialist advice and training across the organisation	**Internal audit** — Independent assurance of business risk management activities, including that the Risk Management Framework is both designed and operating effectively

Overview of principal risks

Strategic risks Global economic and geopolitical Reputation/Brand/IP Transformation	**Non-financial risks** Technology Information and cyber security threats Business continuity Third-party risk Data governance People and talent Regulatory change and compliance
Financial risks CCP risk Model risk	**Emerging risks** Disruptive technology Sustainability risk

Risk management approach

The Enterprise Risk Management Framework manages risk throughout the full risk lifecycle. It is in place to support the ongoing and systemic identification, evaluation, management, monitoring and reporting of the significant risks faced and the mitigating controls in place against them. This process is supported by robust risk governance, designed to give a coherent view of risk across the full Group.

In order to maintain a risk management system that applies effectively and consistently across all areas of the business, we have in place a "risk taxonomy". This is an inventory of all types of risk that are identified as inherent in business strategies and objectives, including strategic, non-financial and financial risks.

These risks are reflected in the Group risk appetite statements and are managed through principles set out in the Group's policies. Risk assessments determine whether risks are within the appetite set by the Board and are reported to senior management and the Board.

Risk governance

Risk governance and oversight is enabled through an effective governance structure comprising Board level committees (Board, Audit and Risk) and executive level committees to promote active discussion and resolution of risk issues.

The risk framework defines the risk roles, responsibilities and governance structure. The risk governance structure ensures the appropriate expertise and overall input in order to adequately oversee and challenge the risk positions across the Group.

The Risk committees, subcommittees and relevant working groups are embedded within the overall governance structure of the Group. A group and divisional committee structure provides risk oversight with escalations between forums as needed (see the diagram below).

Group level committees: An overall Group Executive Risk Committee and Group-level subcommittees, including the Financial Risk (which includes a Model Risk subcommittee), Technology, Cyber and Resilience Risk and Non-Financial Risk Committee which meet on a regular basis. Other sub committees, such as the Reputational or New Product and Market Committee meet on an ad-hoc basis, as required.

Each of the risk committees has detailed terms of reference, approved by the Board or their parent committee, setting out their respective roles and responsibilities.

Group risk appetite

Risk appetite is the level of risk that LSEG will accept in pursuit of its strategic objectives and is aligned with the Group's strategy. The risk appetite is a central pillar of the Enterprise Risk Management Framework and is used as a benchmark for both risk assessment and monitoring, with regular reporting of aggregated risks to both the Board Risk Committee and Group Executive Risk Committee.

The Board approves LSEG's risk appetite annually. This is cascaded throughout the organisation with divisions and functions establishing more detailed risk appetite statements and monitoring their risk profile against the agreed appetite levels.

Risks that are outside risk appetite are escalated to Executive Committee members and to the appropriate Risk Committee and Boards.

Risk Governance Structure

Read more about the activities of the Board in the Corporate Governance Report beginning on page 92.

Strategic risks

Strategic risks are risks that could impact the execution of our strategy, as well as the implementation of our strategic initiatives.

Risk trend key

Increasing	
Stable	
Decreasing	

Risk category	Risk	Mitigation
Global economic and geopolitical risk **Executive lead** Chief Executive Officer **Risk trend** Increasing For more information on the Group's financial risk management, refer to note 17.5 to the financial statements on page 223.	**Risk overview** Whilst the Group is well diversified, global economic underperformance or the influence of geopolitical relations on global financial markets could have an adverse impact on LSEG's people, businesses, operations and financial performance. **Risk description** The Group operates in a broad range of equity, fixed income, foreign exchange and derivative markets, servicing customers who increasingly seek global products and innovative solutions. If the global economy underperforms, or there is reduced activity in LSEG's markets, it may lead to lower revenues. As central banks have taken steps to counteract inflationary pressures, mainly through raising interest rates, financial markets have been impacted. This has heightened the risk of recession in advanced economies and the risk of default in some emerging economies. An environment that exposes banks' weaknesses and leads to sector consolidation may also lead to lower revenues. More broadly, geopolitical relations continue to influence global financial markets, particularly the ongoing conflict between Russia and Ukraine which is impacting global food supplies, the conflict between Israel and Hamas, and Western relations with China.	The Group's income streams benefit from diversification across both a broad global footprint and large customer base, helping to mitigate the exposure to localised economic and credit downturns. Furthermore, a significant proportion of income streams across LSEG's business divisions comprise subscription-fee based recurring revenues, limiting the Group's exposure to shorter-term movements in the global credit cycle. In conditions of volatility, the Group benefits from market infrastructure capabilities exposed to trading volumes and pricing movements, including FX venues, LSE Plc secondary markets, Tradeweb and LCH Group. Additionally, the Group performs regular monitoring and assessment of the potential impacts of market prices and volume movements. It also monitors and manages exposures to the market through hedging both foreign exchange and interest rate risks, tracking key risk indicators and stress testing financial resilience. The Group also regularly monitors external threats and emerging risks including geopolitics and incorporates the output into business continuity and strategic plans. Furthermore, the Enterprise, Financial and Model Risk Committee monitors and reviews multiple financial metrics and scenarios including response to changes in macroeconomic conditions, with mitigating actions agreed.
Sustainability risk **Executive lead**[1] Chief Corporate Affairs and Marketing Officer, Divisional Group Heads **Risk trend** Increasing 1 Change in executive lead during the year to an interim co-lead structure.	**Risk overview** Sustainability risk can be defined broadly as an environmental, social or governance event or condition that, if it occurs, can cause significant negative financial or non-financial impact on the Group. Sustainability risk also includes the opportunity that may be available to LSEG as a result of changing social, economic or environmental as well as regulatory factors. **Risk description** Sustainability risk encompasses a wide variety of other individual risks which are diverse in nature, from regulatory reporting and diversity and inclusion, to greenwashing and net zero, amongst others. Sustainability remains an area of policy development, impacting financial market participants and corporates, bringing with it reputational, regulatory and potential litigation risks. The scope of climate risk encompasses both physical and transitional risks. Physical risks are acute and chronic risks which may impact LSEG's people as well as its global, geographically dispersed property portfolio. Transitional risks are factors such as product availability, policy, regulatory and market related developments that may impact the Group's business as the world transitions to a Paris-aligned carbon emission trajectory. Please see the Sustainability section on pages 58 to 68 and LSEG's 2023 Sustainability Report for more information on LSEG's approach to sustainability.	Sustainability risks are managed in line with LSEG's Enterprise Risk Management Framework and integrated within the Group's risk taxonomy. The specificities associated with the management of sustainability-related risks, which are embedded within multiple other risks within the taxonomy, are defined in LSEG's Sustainability Risk Management Framework, which was approved by the Board in 2023. With regards to climate change, LSEG has taken proactive steps to develop its methodology to understand the impact on its businesses, both from a risk and opportunity perspective. The Group aims to reinforce its resilience to both physical and transitional risks, including how the transition will impact demand for financial products and services. The Group has advanced its assessment of climate risk and continues to undertake an assessment of its global infrastructure portfolio, utilising climate diagnostic models to identify future physical climate change risks. The intention is to use this work to quantify exposure to physical climate risk for property damage and business interruption, as well as integration into its Group-wide property location strategy. From a transitional climate risk perspective, the Group has also made progress mapping out and quantifying the potential impact of utilising carbon pricing internally, initially piloting on business travel with a view to a future Group-wide rollout. Furthermore, in 2023, the Group's risk taxonomy was updated to provide more visibility for sustainability risks, with sustainability added at a strategic level, including greenwashing. Sustainability was also considered as part of the annual risk and control assessment process.

Strategic risks continued

Risk trend key

Increasing	
Stable	
Decreasing	

Risk category	Risk	Mitigation
Reputation/ brand/IP risk **Executive lead** Chief Executive Officer **Risk trend**	**Risk overview** The Group's globally recognised and trusted brands, now unified under a single brand name, face the risk that an event or incident could damage their value or the Group's reputation. **Risk description** The strong reputation of LSEG's businesses is valuable for its credibility with regulators and its attractiveness to customers and potential workforce. As these businesses are now more closely aligned under one Group, there is greater potential for a single event or incident to damage the reputation and value of the LSEG brand and also impact LSEG-branded products more broadly. Some of the Group's products and processes may also include material which are not subject to intellectual property protection by the Group, and competitors of the Group may also independently develop or otherwise protect similar or the same products or processes. This could result in reputational damage, impacting LSEG's ability to attract new or retain existing business and could cause the Group to incur financial costs to defend or enforce intellectual property rights.	LSEG actively monitors the use of its brands to identify, address and prevent any infringements. Policies and procedures including brand guidelines are in place to ensure the appropriate use of the Group's brands and to manage the integrity of the Group's reputation. Where material reputational issues arise, Group Committee meetings are held to address such issues. Further, corporate affairs, marketing and corporate responsibility plans are in place to govern internal and external stakeholder engagement. Our new Group values outline the way we work with our customers, our partners and each other and our Code of Conduct continues to support the protection of our reputation. We each have a duty to act with the highest levels of integrity, at all times, to maintain the legacy of trust that LSEG has developed with its many stakeholders. In addition, the Group protects its intellectual property by relying upon a combination of trademark, copyright, patent and design laws, trade secret protection, database rights, confidentiality agreements and other contractual arrangements with its employees, affiliates, customers, suppliers, strategic partners and others.
Transformation risk **Executive lead** Chief Executive Officer, Chief Operating Officer **Risk trend**	**Risk overview** The Group is materially exposed to risk of loss or failure resulting from transformation or integration as it continues to grow rapidly both organically and inorganically. **Risk description** In 2023, LSEG continued to deliver on its transformation agenda, including material change delivered through the Group Strategic Programmes, mobilisation of the LSEG-Microsoft Partnership and its M&A strategy. While acquisitions required the Group to operate and integrate different technology platforms and systems, divestments required the Group to provide transitional support to divested businesses. Challenges for the Group included maintaining the operational resilience and security of legacy platforms, and consolidating services, or developing new services, where underlying assets used to provide those services are subject to third-party contractual commitments. As LSEG makes acquisitions, these may be complex or necessitate change to operating or business models, technology and people. The LSEG-Microsoft partnership will also result in changes to LSEG's products, commercial models and go-to-market distribution. LSEG's success will depend on its ability to integrate all parts of the business (including acquisitions), realise synergies and ensure it can compete globally. Failure to align its businesses may result in additional cost without a commensurate revenue increase, a failure to capture future product and market opportunities, and increased risk relating to capital requirements, regulatory relationships and management time. Furthermore, since the Group's markets for data, information, services and products are highly competitive and subject to rapid technological change and evolving customer demands and needs, the Group has a sizeable strategic change agenda to transform its products, services and platforms as it leverages growth synergies, upgrades and replaces legacy infrastructure, and transitions to the cloud.	Transformation Risk is reduced by the application of the Group's Enterprise Risk Management Framework deploying consistent, appropriate risk management and mitigation across the Group, both during strategic transformation activity and throughout acquisitions and divestments. The Group Transformation Forum, a subcommittee of the Executive Committee, is responsible for the successful delivery and risk management of the Group Strategic Programmes. Furthermore, a partnership governance structure has been implemented to oversee the delivery of the LSEG-Microsoft Partnership. Oversight and assurance across the Group's change portfolio is provided by Group Risk and Internal Audit. The Group's Change Framework provides a robust governance and programme management structure that has delivered an effective track record of integrating acquisitions, separating disposals and delivering tangible synergies in an evolving regulatory and technological landscape.

Financial and model risks

The risk of financial failure and loss of earnings and/or capital as a result of investment activity, lack of liquidity, funding or capital, and/or the inappropriate use of models.

Risk trend key

Increasing	
Stable	
Decreasing	

Risk category	Risk	Mitigation
Central Counterparty (CCP) risk **Executive lead** Group Head of Post Trade **Risk trend** Stable	**Risk overview** The Group's CCP activities – through LCH – expose it to a number of financial risks that arise from the CCP's obligation to guarantee the performance of cleared contracts between its members in the event of a member default. **Risk description** In the event of a member default, the CCP must restore a matched book by liquidating or transferring the defaulting member's positions held with the CCP. This can expose the CCP to both adverse changes in the market value of the positions (such as changes in asset prices, interest rates, credit spreads and foreign exchange) and liquidation costs (such as the cost of finding liquidity to exit the positions). In addition, the CCP has market, credit and liquidity risks arising from the investment of members' cash and its ongoing payment obligations. Non-financial risks such as operational, legal and compliance and reputational risks, arise as a result of the CCP's day-to-day operations.	CCPs by design are financially resilient against the largest default risks. The CCP rulebook is the foundation of its resilience and is a legally binding document, signed by members, that governs all clearing activities. It details the authority of the CCP to assess appropriate margins, to place a member in default and to liquidate a defaulting member's positions and collateral. The key lines of defence laid out in the CCP rulebook include minimum standards for member eligibility, initial and additional margins posted by members, a portion of the CCP's own capital, and then member default funds and mutualisation of losses. Additionally, the CCP can perform assessment to further absorb losses beyond the default fund. The resiliency of these mechanisms is tested via an annual fire-drill. In its cash investment activities, the CCP's primary objective is to protect principal and liquidity and to ensure prompt availability of cash when needed. Establishing strict criteria for the eligibility of counterparties and investment types and a limits structure minimises investment risk, however the risk will not be completely eliminated. Additionally, unsecured commercial bank deposits are strictly limited to 5% of the investment portfolio. Outright bond purchases are limited to high-quality short-term sovereign bonds or equivalent, and deposits at central banks and secured placements (reverse repos) are preferred where possible. All issuers and counterparties are subject to internal credit scoring and regular reviews. Furthermore, the effectiveness of the investment and liquidity risk framework, namely operational capacity, and ability to raise liquidity are tested in quarterly "war games" exercises to ensure ongoing resiliency, as well as annual default fire-drills.
Model risk **Executive lead** Divisional Group Heads, Chief Risk Officer **Risk trend** Increasing	**Risk overview** The advent of Artificial Intelligence and Large Language Models necessitates new approaches for model risk management. As such, the Group's model risks could arise from the omission of models from the model inventory and from errors made during the data sourcing, development and implementation stages. Risks can also arise from the incorrect use of models, and/or from errors in the decisions made based on model outputs. **Risk description** The Group utilises an increasing suite of models, including Artificial Intelligence, across all of its divisions (e.g., margin models used within our CCPs, D&A client facing analytics, market abuse detection models within the Capital Markets division, and stress models used to calculate capital and climate risk). Model risks could impact both the reputation and the financial condition of the Group.	LSEG businesses have an industry standard model risk control and governance framework in place, including a model risk policy and model management system. In addition, robust model validation is performed across LSEG's full suite of models to ensure that the Group's critical models are fit for purpose. Model lifecycle controls are also in place, including ongoing performance monitoring for key models and tracking of changes for all models. In addition, risk oversight is provided by the Model Risk Committee which is a subcommittee of the Enterprise, Financial and Model Risk Committee, and model risk management undertakes reviews to identify models that could impact the Group.

Non-financial risks

The risk of loss or other adverse consequences to the business resulting from inadequate, or failures associated with, internal processes, people and systems, or from external events.

Risk trend key

Increasing	⌃
Stable	=
Decreasing	⌄

Risk category	Risk	Mitigation
Technology risk **Executive lead** Chief Information Officer **Risk trend** =	**Risk overview** LSEG is highly dependent on the development and operation of its sophisticated technology and advanced information systems and those of its third-party service and outsourcing providers. **Risk description** Technology failures potentially leading to system outages may impact the Group's customers and the orderly running of its markets, data services and distribution.	The resilience of technology systems and processes underpinning important business services remains a high priority for the Group, with significant investment allocated to the improvement of the technology estate. Key performance and risk indicators provide a view across the Group's systems and enable tuning of improvement activity to maximise benefits to resilience. Enhancement to monitoring tools allow for preventative measures to avoid issues, and a prompt response to any potential service-impacting incident. Overall, the number and severity of incidents linked to the legacy estate continues to decline. Regular rigorous business impact and operational risk scenario analysis is performed to identify, assess and remediate potential system and governance vulnerabilities. In addition, technology solutions are comprehensively tested by both LSEG Technology and third-party quality assurance providers as appropriate; functional, non-functional, user-acceptance and other testing is performed across technology environments to ensure products are ready for deployment and have robust business continuity and crisis management plans in place. The risks associated with change are mitigated by implementation of the Group's change framework. Appropriate governance, risk and executive oversight is exercised over individual programmes and projects based on the scale, complexity and impact of the change. The purpose of this oversight is to ensure that changes do not breach the Group's risk appetite and are compliant with the approved project management policy, as well as to manage budget, resource, escalations, risk, issues and dependencies. For software specific development, software design methodologies, testing regimes and test environments are continuously being enhanced to minimise implementation risk.

Risk trend key

Increasing	⌃
Stable	=
Decreasing	⌄

Risk category	Risk	Mitigation
Information and cyber security threats **Executive lead** Chief Information Officer **Risk trend** Increasing	**Risk overview** As a global financial markets infrastructure and data provider, LSEG is exposed to cyber risk. The cyber threat landscape continues to increase in sophistication with the evolving geopolitical landscape and emerging technology. **Risk description** The financial sector and the wider economy continue to experience notable cyber incidents, showcasing the advanced capabilities of cyber adversaries and the significant impact they can have on the targeted organisation. Cyber risk arises from the use of data, technology and digital services by LSEG and its supply chain. In addition to the direct impact that a cyber event can pose on LSEG and its customers, the Group's role as a financial markets infrastructure provider means that a significant cyber event could create a systemic impact to the financial sector and the global markets that it services. To remain competitive in this era of data and digitalisation, cyber risk cannot be eliminated, however, it can be managed to a level of risk that the Group is prepared to take as a cost of doing business.	The Group continues to make significant investments in cyber security and has a dedicated Cyber Security function led by the Chief Information Security Officer (CISO) whose role is focused on protecting and defending LSEG against cyber attacks. Due to the increasing sophistication of cyber adversaries and their techniques, the Group proactively collects and evaluates actionable threat intelligence. While LSEG recognises that the prevention of cyber attacks may not always be possible, the Group's priority is on remaining resilient to withstand cyber-attacks with minimal disruption to its business. Furthermore, LSEG's approach to cyber security aligns with industry frameworks such as the Cyber Risk Institute profile version of the National Institute of Standards and Technology cyber security framework. In addition, given that some of LSEG's divisions are highly regulated, the Group ensures that the requisite assurance requirements are met. LSEG has made significant investments in cyber security and will continue to invest in, and advance its cyber defence, protect, detect, respond and recover capabilities.
Business continuity risk **Executive lead** Chief Operating Officer, Chief Risk Officer, Divisional Group Heads **Risk trend** Increasing	**Risk overview** The Group is exposed to the risk of operational disruptions that may impact its customers and the financial stability of capital markets. As a result, business continuity is one of the key objectives of the Group's operational resilience strategy. It helps to address the Group's ability to prevent, adapt to, respond and recover from operational disruptions and to minimise their impacts. **Risk description** While the Group has processes and controls in place to ensure the continuity of its services and operations, unforeseen events such as physical security, cyber security and increased geopolitical incidents could impact the continuity of the Group's services. Annual crisis management training is completed at the Group and business unit levels, focusing on staff wellbeing and any impact on critical business areas. A robust incident and crisis escalation process is in place and routinely in use.	The Group has been updating its business continuity plans for critical services, including important business services throughout 2023, in line with operational resilience requirements. These plans have been made available on a central Group-wide risk platform. LSEG continues to operate a three-tiered Group crisis management framework, allowing effective and relevant escalations and decision-making, based on any given incident impact or severity. A Group crisis management manual and one-page plan are in place, routinely updated when management changes occur and used in training exercises. Additionally, scenario-specific crisis playbooks (e.g., for an energy crisis or potential geopolitical events) are in place to guide the crisis team decision-making. The Group has also completed location-specific business continuity plans for key LSEG locations. These include crisis playbooks together with a summary of business and people exposure and related business continuity strategies. We have also launched plans to test crisis management teams in these locations.

Non-financial risks continued

Risk trend key

Increasing	︿
Stable	=
Decreasing	﹀

Risk category	Risk	Mitigation
Third-party risk **Executive lead** Chief Operating Officer, Divisional Group Heads, Chief Information Officer **Risk trend** Increasing	**Risk overview** The Group's ability to deliver its strategic objectives may be impacted by failure to manage the financial, regulatory and reputational risks associated with the selection, management, and oversight of critical third parties. **Risk description** The Group and its entities engage third-party service providers, including cloud service providers, that are exposed to a range of non-financial, operational risks such as geopolitical and cyber security threats and regulatory compliance risk. The Group has engaged cloud service providers to host critical services and data. It also relies on access to certain data used in its business through licences with third parties. Some of this data is provided exclusively by suppliers and may not be obtained from other sources. Risk events may result in these third parties being unable to meet their contractual, regulatory, confidentiality or other obligations to the Group which in turn could lead to material financial loss, higher costs, regulatory actions and reputational harm.	The Group continues to refine its third-party Risk Management Framework to provide controls across all stages of the third-party lifecycle, covering: planning and selecting, contracting and onboarding, managing and monitoring, and termination and exit. The framework helps to ensure that the Group identifies, assesses, remediates, monitors and reports risk at key stages in the lifecycle, and actively manages relationships with critical third parties to avoid a breakdown in service provision. Additionally, LSEG focuses on the ability of critical third parties to continue to supply goods and services in accordance with requirements and in compliance with contractual obligations. Throughout the year, there have been no significant impacts to the supply chain for the Group.
Data governance risk **Executive lead** Divisional Group Heads, Chief Operating Officer **Risk trend** Increasing	**Risk overview** LSEG collects, processes, licenses, calculates, owns, transforms, administers and distributes data in many formats. Failure to govern its data successfully could result in those data being unfit for purpose with respect to quality and usage. **Risk description** LSEG plays a significant role in the financial markets infrastructure and data landscape with commitments to its customers, counterparties, owners, vendors, regulators and the public in the proper usage of its data. If the Group's data becomes unfit for purpose, resulting in the Group or its customers and/or stakeholders utilising deficient data for decision-making, the Group's reputation, financial condition and operating results could be adversely impacted. Furthermore, data privacy breaches, unauthorised data access, misuse of personal data or failure to protect confidential information could adversely affect the Group's reputation or financial performance, or expose it to litigation or other legal or regulatory actions.	LSEG's Enterprise Information Governance function, together with divisional Chief Data Officers, work to develop and institute a comprehensive governance framework to ensure LSEG data is of the highest quality in order to support its intended use and the needs of its stakeholders, customers and regulators. The Group data policy and its framework promote a data culture that embodies customers' needs, improves efficiency and quality of decision-making, and ensures adherence to regulatory obligations. As such, the Group has defined and implemented a standardised approach to data management oversight, governance, controls, measures and monitoring, as well as efficient issue resolution to mitigate any adverse impacts to the business. In addition, the Group's data protection and privacy policy sets out a framework for privacy compliance to ensure that personal data that is processed during the Group's business is used fairly, lawfully and in compliance with all applicable data protection and privacy legislation. The Group's information security policy includes a framework for data leakage prevention and information security incident management. LSEG employees complete annual, mandatory training courses on the Group's policies. Data is an aspect of the operational resilience programme. This means it is subject to a governance and control framework which ensures identification and management of data vulnerabilities as well as driving effective data recovery and the overall resilience of the Group's important business services.

Risk trend key

Increasing	
Stable	
Decreasing	

Risk category	Risk	Mitigation
People and talent risk **Executive lead** Chief People Officer **Risk trend** Stable	**Risk overview** The Group's people and talent risks could arise from a lack of critical skills, talent and knowledge, resulting in the Group being unable to achieve its objectives. **Risk description** People and talent risks can arise from multiple factors including insufficient career development, inadequate compensation processes and ineffective organisational structures and leadership, all of which could lead to lack of engagement and wellbeing of its people. Furthermore, increased market competition and challenging geopolitical or economic conditions could result in inability to attract and retain diverse, high-performing talent, and/or it could lead to a disengaged workforce.	In the year, we launched new values to underpin its purpose, ensuring consistency in behaviour and culture across the Group. There continues to be focus on equity, diversity and inclusion, including refreshed ambitions and priorities, active inclusion networks, and enhanced policies and benefits to foster a culture of belonging. Talent identification, succession planning and career development frameworks initially launched in 2022 were expanded and evolved in the year, along with launching the Career Navigator platform, to support colleagues in ensuring they have appropriate skills and resources available to undertake their roles effectively and to support their career journey at LSEG. The Group continued with leadership development engagements across all stages of leadership, and delivered a framework for promotion and progression. LSEG operates a hybrid working model, driving connectivity, collaboration, productivity and development.
Regulatory change and compliance risk **Executive lead** General Counsel, Chief Executive Officer, Divisional Group Heads **Risk trend** Increasing	**Risk overview** LSEG is a global business operating in many regulatory environments and is exposed to changes to those environments and how it manages compliance with regulatory requirements. **Risk description** Regulatory risks that LSEG may face include: risks arising from the conditions under which the Group can access a particular market (e.g. EU equivalence for UK CCPs); the regulation and supervision of new activities; market competitiveness, including the attractiveness of the UK as a financial centre; data issues including localisation, privacy, sovereignty and regulation; sanctions issuance; sustainability and ESG issues; innovation and technology, including artificial intelligence and digital assets; and resilience and financial stability, including clearing, cloud and operational resilience.	The Group has a dedicated Compliance function which is focused on identifying and remediating areas where compliance controls need to be improved. There are centralised compliance resources supporting the organisation as a whole with application of Group level controls, and resources carrying out compliance assurance controls. In addition to the overall Group Compliance function, compliance resources with specialised knowledge of each of the regulated services provided by the Group are aligned with the regulated entities operating within each business division. They provide regulatory advice to the business, corporate functions and committees to support them in seeking to ensure that both day-to-day operations and business developments are undertaken in accordance with the relevant regulatory obligations. Furthermore, compliance policies are reviewed regularly and employees across the Group are reminded of the requirements to which they are subject under these policies through mandatory annual training, the completion of which is tracked.

Emerging risks

Newly developing external risks which are difficult to quantify due to their remote or evolving nature.

Risk trend key

Increasing	
Stable	
Decreasing	

Risk category	Risk	Mitigation
Disruptive technology developments **Executive lead** Chief Information Officer, Divisional Group Heads **Risk trend** Increasing	**Risk overview** The markets that LSEG serve could be changed by an increase in competitive pressures and lower entry barriers, caused by structural market changes, new business models and new advances in cloud, Artificial Intelligence, quantum computing and distributed ledger technology. **Risk description** Change driven by developments in disruptive technology could negatively impact the Group's core business performance and disrupt its commercial models. This risk could impact the entire business, given the pace of change of business models, technological advancements and the continued increasing pace of market entrants. Cloud providers are expanding their capabilities from storage to a wide range of data management and analytics solutions. They also enable a whole new ecosystem of providers, including new market entrants, who can now take advantage of cloud providers' customer bases and fast development cycle. The increased use of AI internally and among customers brings with it associated risks such as inherent bias and automated decision-making and data management. It will also introduce new challenges for cyber security defence and detective mechanisms. Quantum computing could revolutionise the field of cloud and AI by enabling faster machine learning, facilitating new commercial opportunities, but may potentially amplify some cyber security and AI risks. As technology and regulatory clarity improves, aggressive competitor activity in distributed ledger technology could increase risk of disruption. Distributed ledger technology presents potential disruptive risk to parts of LSEG's business as it may result in a reduced need for centralised intermediaries, thereby bypassing some of the services offered by the Group.	The Group actively monitors new technological developments and the pace of change, developing robust innovative strategies to mitigate the risk resulting from emerging technology. The Group, including through its Strategy function, actively scans for potential investment opportunities in emerging technology. In addition, the Group partners with advisers and builds proof of concepts to test new hypotheses and, by collaborating with its customers, can identify and quickly react to changing consumption preferences. Regulators are actively exploring the application of new frameworks to manage the development of innovative financial services technologies. It is expected that these will be important for maintaining resilience and stability in the market while enabling innovation with emerging technology. The Group also participates in relevant industry and academic forums, partnering closely with regulators. Furthermore, the Group continues to maintain systems and controls to mitigate the risk resulting from emerging technology. Risk arising from the Group's use of cloud, AI and distributed ledger technology is identified, assessed, managed and reported through the risk framework. LSEG is aligned with industry best practices and guidance when considering increased use of AI and distributed ledger technology. In 2023, the Group also launched its own Responsible AI Framework.

Financial viability statement

In accordance with provision 31 of the Code, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, for the next three years. A period of three years has been chosen for the purpose of this viability statement, in line with the Group's business plan.

Viability period

The Directors' assessment has been made with reference to the Group's current position and prospects, the Group's three-year business plan, the Group's risk appetite and the expected impact of severe but plausible downside scenarios.

Given the Group's acquisitive nature in recent years and future organic growth strategy, a three-year window is considered the most appropriate horizon for the Group's management to make its viability statement because it is the period over which it can forecast with reasonable clarity, the Group's financial performance, cash flows and strategic position. A 12-month period from the expected date of the signing of the financial statements is considered for the going concern assessment (see note 1.2 to the financial statements on page 176).

Business planning process

The business plan makes certain assumptions about the performance of the core revenue streams and segments, using existing product lines as well as assumptions on take-up of new product lines. It considers known inorganic activity, as well as assumptions on: the appropriate levels of investment to support expected performance; the ability to refinance debt as required; and expected returns to shareholders.

Assessment of viability

The principal risks and uncertainties facing the Group are set out on pages 79 to 88 of the Strategic report. In addition, the Financial Risk management note on page 223 of this report includes: the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk, liquidity risk and market risk.

The business plan is stress tested using severe but plausible downside scenarios as determined relevant by the Financial Risk Committee, over the full three-year plan period. These scenarios are then assessed against the Group's risk appetite parameters. Impacts on the performance of core revenue streams and segments are modelled through business inputs, with appropriate mitigating factors also considered.

The scenarios modelled are discussed in the table opposite.

The results show that a repeat of the Global Financial Crisis would have the largest impact on Group EBITDA. No scenario over the three-year period leads to a breach of the Group's risk appetite thresholds, or an inability to meet the Group's financial obligations through insufficient headroom. The likelihood of these scenarios materialising is viewed as remote.

Borrowing facilities

The Group's borrowing facilities and respective repayment dates, and the net debt position of the Group, are included in note 7 to the financial statements, on pages 245 to 246.

Conclusion

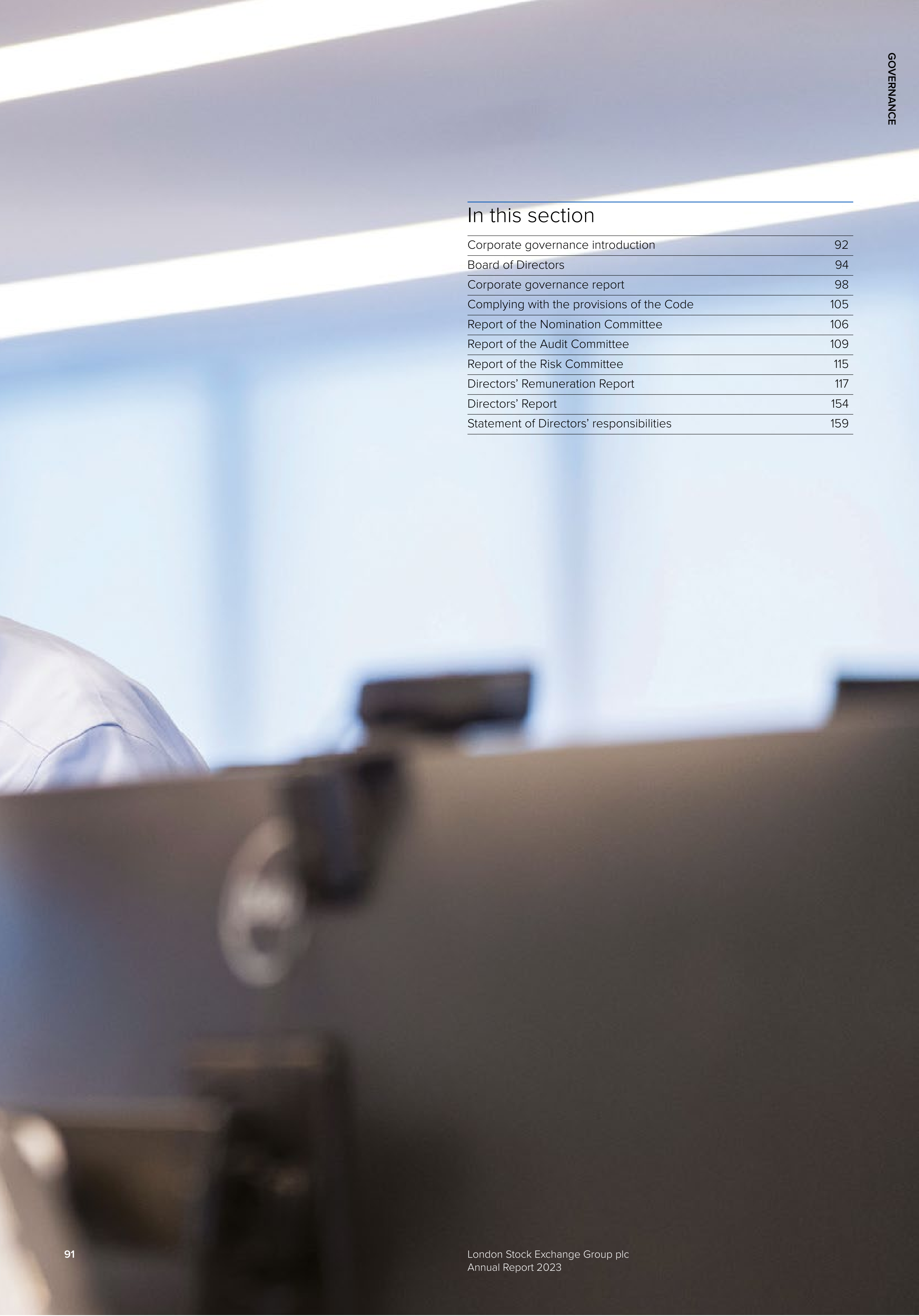
The Directors assessed the prospects and viability of the Group in accordance with provision 31 of the UK Corporate Governance Code taking into account the Group's three-year business plan, and the principal risks to the Group's future performance and liquidity. The Directors have a reasonable expectation that the Group has the ability to meet its obligations over the viability period.

Scenario	Assumption	Associated principal risk
Global Financial Crisis (with and without inflation)	A replay of the 2008 crisis, reassessed for purpose and fitness with current market conditions. The scenario considers the collapse of a major financial institution and a simultaneous default of one medium-sized (domestic rather than international) bank. Additionally, the scenario includes the consolidation of four globally systemic banks into two.	**Global economic and geopolitical. See page 81 for more information.**
Global Pandemic	The scenario considers the proliferation of Covid-19, or a similar pandemic, with significant impacts throughout the global value chain. There are severe, highly synchronised downturns associated with a persistent loss of output in developed and emerging economies. Governments worldwide implement restrictions on human interaction and travel to control virus contagion and interest rate changes.	**Global economic and geopolitical. See page 81 for more information.**
Cyber Security Threats	The scenario considers a cyber ransomware attack impacting the Group's ability to serve a large portion of its customers.	**Information and cyber security threats. See page 85 for more information.**
Supply Chain Disruption	This scenario assumes key supplier unavailability due to geopolitical or technological issues, which results in the delayed delivery of one of the Group's key strategic programmes.	**Transformation. See page 82 for more information.**
Technology Outage	This scenario assesses the impact of a service disruption to one of the Group's key databases which supports a number of Important Business Services.	**Technology. See page 84 for more information.**

Governance

This section of the Annual Report describes how LSEG is governed and the control structures we have in place.

Good corporate governance is key to promoting the long-term sustainable success of the Company, achieving the Group's objectives, generating value for shareholders and contributing to wider society.



In this section

Corporate governance introduction

The Board is responsible for the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

Don Robert
Chair

Dear Shareholders,

I am very pleased to present the Corporate Governance Report for the year ended 31 December 2023. This report provides an overview of how LSEG is governed, the activities of the Board and the control structures we have in place. The Board is responsible for the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. The Board does this by supporting and challenging executive management to ensure we operate to high governance standards. This report explains how we seek to achieve this. It also contains some highlights from my perspective as Chair.

Together with the reports of the Committees, we have set out how the UK Corporate Governance Code has been applied in the year. At the heart of the Code is a set of principles that emphasise the value of good corporate governance to long-term sustainable success.

Board composition and diversity

On 1 February 2023, Scott Guthrie joined the Board as a Non-Executive Director in connection with the strategic partnership with Microsoft. Scott has worked at Microsoft for over 25 years and currently holds position as Executive Vice President, Cloud and AI Group. Further information on the strategic partnership with Microsoft can be found on page 18 and 19.

In accordance with the terms of the Relationship Agreement, Erin Brown, representative of Thomson Reuters, stepped down from the Board on 17 March 2023, and Doug Steenland, representative of Blackstone, stepped down from the Board on 20 September 2023. On behalf of the Board, I would like to thank Erin and Doug for the significant contributions they made since the acquisition of Refinitiv in January 2021.

On 14 September 2023, William Vereker took over from Cressida Hogg as Chair of the Remuneration Committee. Cressida Hogg continues to serve as Senior Independent Director and a member of the Remuneration Committee. I would like to thank Cressida for her contribution as Chair of the Remuneration Committee.

On 20 November 2023, the Group announced that it had appointed Michel-Alain Proch as CFO and Executive Director from 1 March 2024. This followed the announcement in May 2023 that Anna Manz would step down from the Board as CFO and Executive Director. I would like to thank Anna for the key role she has played in the successful delivery of the Group's strategy over the last three years, and I am happy to welcome Michel-Alain to the Board.

The Board continues to seek opportunities to refresh the key skills and experience and to enhance the effectiveness of the Board, while having regard to board diversity. The Board believes that diversity of thought, experience and background makes us more dynamic, fosters innovation and boosts performance. The Board seeks to comply with Listing Rule 9.8.6(9) on gender and ethnic diversity. I am pleased to confirm that we meet the Parker Review recommendations, and that we meet all recommendations set out by the FTSE Women Leaders Review. Two of the four senior positions in the Company outlined in the Listing Rules are currently held by women and two of the Board's Directors are from a minority ethnic background. At the end of 2023, the Board was over 40% female, however, following Anna's departure and Michel-Alain's arrival, this will drop to below 40%. For more information on Board diversity and the process followed in relation to Board appointments, please see the Nomination Committee report on pages 106 to 108.

Remuneration Policy

Our proposed Directors' Remuneration Policy will be put to shareholders for approval at the 2024 AGM. The proposed changes are focused on updating our policy to ensure that it remains appropriate for our transformed business. Details of the proposed policy and the implementation of the current policy during the year, can be found in the Directors' Remuneration Report on pages 117 to 153.

Board effectiveness review

This year's effectiveness review was conducted by the Group Company Secretary using a detailed questionnaire provided with the aid of an external provider, Lintstock. Results and agreed areas of focus for the Board are described on page 102 and 103. The Board will ensure that these focus areas are acted upon to further improve Board performance. I can confirm that the actions from the 2022 effectiveness review have been completed.

Board site visits and workforce engagement

Opportunities to visit our operations globally, engage directly with the workforce and learn about the business continue to be very important and valuable for the Board. During the year, the Board visited the Paris office and met with colleagues to hear more about their areas of the business and provided a forum for colleagues to share their views with the Board. Further information on workforce engagement can be found on page 71.

The Board also engaged with the workforce virtually through a series of Board conversations in key regional locations. These meetings were designed to increase Board members' visibility with the workforce, gain real insights into the Group's culture and any concerns from colleagues at different levels of the business and have meaningful, two-way dialogue with the workforce. This was particularly important in 2023 as we continued with the integration of the Refinitiv business, progressed the partnership with Microsoft and embedded the Company's culture and new values across the Group. More information of the Company's culture and values can be found on page 60. The feedback that Board members received from this direct engagement was shared with the wider Board at the following meeting and the Board has encouraged management to respond to feedback and to take appropriate action. Further information can be found on pages 71 and 72.

Committee governance

The Chairs of the Audit Committee, Risk Committee, Nomination Committee and Remuneration Committee report on the activities of each of the Committees during the year. I would like to thank the Committee Chairs for the work they have done during the year, including attending the AGM to meet with shareholders.

Sustainability

As described in the Sustainability section of the Strategic Report (pages 58 to 68), LSEG has many initiatives in place to deliver our commitment to be a strategic enabler of sustainable economic growth. Given our central role in capital markets, our global footprint and presence throughout the trade lifecycle, LSEG is uniquely positioned to play a leading role in this respect.

LSEG's role in sustainability, and tackling climate change in particular, is very important to the Board, as well as the Group's shareholders, employees, customers and regulators. The Board is committed to meeting the expectations of our shareholders and stakeholders in this regard.

Compliance with the UK Corporate Governance Code 2018 (the "Code")

The Company has complied with the principles of the Code throughout the financial year ended 31 December 2023 and to the date of this report, and complied with all provisions of the Code, except for provision 32. Provision 32 of the Code states that the Chair of the Remuneration Committee should have served on a remuneration committee for at least 12 months before becoming chair. William Vereker was appointed as Chair of the Remuneration Committee having served for over 11 months on the Committee. The decision to appoint William as Committee Chair shortly before 12 months on the Committee was taken in order to allow William to lead on the proposed changes to the Remuneration Policy, including consultation with shareholders. Further information on compliance with the Code is detailed on page 105.

This report is intended to give shareholders a clear and comprehensive picture of the Group's governance arrangements and how they operated during the year. Pages 98 to 105 set out details of the areas of our focus during the year, followed by the Committee reports.

Conclusion

I hope you find this report helpful and informative in understanding governance at LSEG. I encourage all shareholders to vote their shares in favour of all resolutions to be considered at our AGM in April 2024, even if you are unable to attend in person. Details of the AGM will be included in the Notice of Meeting.

Don Robert
Chair
28 February 2024

Board of Directors

The Board's membership reflects a wide range of skills and business experience, drawn from a number of industries, which is critical for bringing both the expertise required and to enable different perspectives to be brought to Board discussions.

Don Robert
Chair of the Company and the Nomination Committee

Appointed to the Board in January 2019 and Chair of the Company in May 2019.

Skills, knowledge and contribution
- Strong track record in global financial services, international business and mergers and acquisitions
- Expert regulatory knowledge, accompanied with a deep understanding of technology and data and analytics
- Significant executive and non-executive listed board experience

Experience
Don spent 18 years at multinational information company Experian plc, where he most recently served as Chairman (2014-2019). Prior to that he was Group Chief Executive (2005-2014) and CEO of the North American business (2001-2005). Don has served in a variety of senior roles including Chair of the US Consumer Data Industry Association, Senior Independent Director of Compass Group plc and Non-Executive Director of the Court of Directors, Bank of England.

Other current appointments
Chair, Keywords Studios plc; Chair of Council, The London School of Hygiene & Tropical Medicine; Partner, Corten Capital; Chair, Ekco (a portfolio company of Corten Capital); Non-Executive Director, Validis Group Holdings Limited; Non-Executive Director, FlexCharge; Visiting Fellow, Oxford University; Honorary Group Captain, Royal Air Force.

Committee membership
Nomination (Chair)
Remuneration

David Schwimmer
Group Chief Executive Officer

Appointed to the Board in August 2018.

Skills, knowledge and contribution
- A wealth of knowledge surrounding market structure, investment banking and emerging markets
- Extensive experience in corporate finance, capital markets, and mergers and acquisitions
- Deep understanding of the business and the markets within which the Group operates

Experience
Prior to joining the Group in August 2018, David spent 20 years at Goldman Sachs, where he held a number of senior roles, most recently as Global Head of Market Structure and Global Head of Metals & Mining. During his tenure, he also served as Chief of Staff to Lloyd Blankfein, who was then President and COO of Goldman Sachs, and spent three years in Russia as Co-Head of Russia/CIS. Prior to joining Goldman Sachs, he practised law at Davis Polk & Wardwell.

Other current appointments
Non-Executive Director, Centre for New American Security (Not-for-Profit).

Director changes in 2023

Scott Guthrie
Joined the Board on 1 February 2023.

Erin Brown
Stepped down from the Board on 17 March 2023.

Doug Steenland
Stepped down from the Board on 20 September 2023.

*** Director changes since 31 December 2023**

Anna Manz
Anna will step down from the Board on 29 February 2024.

Michel-Alain Proch
Michel-Alain joins the Board as an Executive Director on 1 March 2024.

Anna Manz*
Group Chief Financial Officer

Appointed to the Board in November 2020.

Skills, knowledge and contribution

- Extensive expertise in accounting, corporate finance and mergers and acquisitions
- Significant financial and strategic leadership in areas such as risk, treasury management and accounting
- Expertise in business diversification and transformation

Experience

Anna is a qualified accountant. Prior to joining the Group in November 2020, Anna was Chief Financial Officer and Executive Director of Johnson Matthey plc (2016-2020), leading its Finance, Procurement, and IT functions. Prior to joining Johnson Matthey plc, Anna spent 17 years at Diageo plc in a number of senior finance roles, including most recently as Chief Strategy Officer and member of the Executive Committee. In addition, Anna served as Non-Executive Director of ITV plc (2016-2023).

Other current appointments

Non-Executive Director, AstraZeneca PLC

Dominic Blakemore
Independent Non-Executive Director and Chair of the Audit Committee

Appointed to the Board in January 2020.

Skills, knowledge and contribution

- Extensive experience in corporate finance, investor relations and capital markets
- Significant financial leadership experience from various international financial institutions
- Strong strategic planning and decision-making experience

Experience

Dominic is a chartered accountant and has been Group Chief Executive Officer of Compass Group plc since 2018. Previously, he served as Group Finance Director (2012-2015), Group Chief Operating Officer, Europe (2015-2017) and Deputy Chief Executive Officer in 2017. Dominic was formerly a Non-Executive Director and Chair of the Audit, Risk and Compliance Committee of Shire plc (2014-2018). He previously served as Chief Financial Officer of Iglo Foods Group Limited (2010-2011). Before joining Iglo, Dominic was European Finance & Strategy Director at Cadbury plc (2008-2010).

Other current appointments

Group Chief Executive Officer, Compass Group plc; Vice-Chair, University College London; Non-Executive Director, FareShare.

Committee membership

Audit (Chair)
Nomination
Risk

Martin Brand
Non-Executive Director

Appointed to the Board in January 2021.

Skills, knowledge and contribution

- Significant board and executive experience across listed companies
- Highly accomplished in corporate finance, with a focus on the financial technology sector
- Extensive experience in strategic planning, data and analytics, and mergers and acquisitions

Experience

Martin's work at Blackstone Inc. has seen him involved in several of their high-profile investments including; Sphera, Ellucian, Refinitiv, Bumble, IntraFi and Paysafe. He is a member of several of Blackstone's investment committees. He previously worked as a derivatives trader with Goldman Sachs in New York and Tokyo, and with McKinsey & Company in London. He was a Director of Refinitiv until 2021 and was Chair of Tradeweb Markets (a subsidiary of LSEG) until February 2022.

Other current appointments

Head of North America Private Equity, and Global Co-Head of Technology Investing, Blackstone Inc.; Director, UKG Software; Director, Liftoff Mobile; Director, First Eagle; Trustee, American Academy Berlin.

Committee membership

Nomination

Professor Kathleen DeRose
Independent Non-Executive Director and Chair of the Risk Committee

Appointed to the Board in December 2018.

Skills, knowledge and contribution

- Executive leadership experience in capital markets and asset and wealth management
- Significant non-executive listed board experience
- Expertise in the financial technology market, risk management, and data and analytics

Experience

Kathleen held a number of senior roles at Credit Suisse Group AG (2010-2015). Other positions Kathleen has undertaken have included Managing Partner, and Head of Portfolio Management and Research at Hagin Investment Management (2006-2010), and Managing Director, Head of Large Cap Equities at Bessemer Trust (2003-2006). Prior to 2003, Kathleen also held a number of roles at Deutsche Bank and JPMorgan Chase (formerly Chase Manhattan Bank). In addition to her senior executive positions, Kathleen served as a board member of EDGE (Economic Dividends for Gender Equality) (2014-2015), and she was founding Chair of Evolute Group AG (2016-2017).

Other current appointments

Non-Executive Director, Experian plc; Non-Executive Director, Voya Financial Inc.; Non-Executive Director, Enfusion Inc.; Clinical Associate Professor of Finance, New York University Leonard N. Stern School of Business; Director, Fubon Centre for Technology, Business, and Innovation.

Committee membership

Risk (Chair)
Audit
Nomination

Tsega Gebreyes
Independent Non-Executive Director

Appointed to the Board in June 2021.

Skills, knowledge and contribution
- Deep financial services and capital markets experience gained from various global senior executive and non-executive roles
- Significant expertise in international business and technology
- Strong background in strategy and business development

Experience
Tsega spent seven years at Celtel International, a leading mobile telecommunications provider in the Middle East and North Africa. During her tenure at Celtel, Tsega held a variety of senior roles including Senior Group Adviser, Zain Africa BV (2007-2016), Chief Strategy and Development Officer (2005-2007), Chief Business Development and Mergers & Acquisitions Officer (2003-2005) and Director, Mobile Commerce and New Product Development (2000-2003). In addition to her senior executive positions, Tsega has served as Vice Chair of SES SA, and Non-Executive Director of Hygeia Nigeria Limited (2009-2015), ISON Group (2013-2018) and Sonae SA (2015-2019).

Other current appointments
Founding Director, Satya Capital Limited; Non-Executive Director, Airtel Africa plc; Advisory Council Member, Mo Ibrahim Foundation; Non-Executive Director, Mastercard Foundation.

Committee membership
Audit
Nomination
Risk

Scott Guthrie
Non-Executive Director

Appointed to the Board in February 2023.

Skills, knowledge and contribution
- Market-leading experience in cloud infrastructure and data and analytics
- A deep and valuable understanding of the technology market
- Specialist in digital transformation

Experience
Scott has over 25 years of experience leading large technology teams at Microsoft, and has been Executive Vice President of Microsoft's Cloud and AI division since 2014. He is responsible for Microsoft's Cloud Platform, Data and AI solutions, Operating Systems, Business Applications, Development Tools, and Industry Solutions. The products and services his team delivers include Microsoft Azure, Dynamics 365, Power BI, SQL Server, Nuance, GitHub, Visual Studio and the core Windows operating system. Scott was previously Corporate Vice President of Microsoft Azure (2011-2014), Corporate Vice President of Microsoft's Developer Division (2008-2011), General Manager Microsoft Developer Division (2005-2008).

Other current appointments
Executive Vice President, Microsoft Cloud and AI Group.

Committee membership
Nomination

Cressida Hogg CBE
Senior Independent Director

Appointed to the Board in March 2019.

Skills, knowledge and contribution
- Significant board and executive level experience combined with a strong corporate background in infrastructure, private equity and capital markets
- Strong Chair experience and competency in embedding corporate governance values
- Specialist knowledge in mergers and acquisitions, financial services regulation and pensions

Experience
Cressida spent nearly 20 years with 3i Group plc and was one of the co-founders of 3i's infrastructure business in 2005, before becoming Managing Partner in 2009. During this time, Cressida advised on all of 3i's infrastructure transactions. She was also Global Head of Infrastructure at Canada Pension Plan Investment Board (2014-2018). In addition to her senior executive positions, Cressida served as a Non-Executive Director of Associated British Ports Holdings Limited and a Non-Executive Director of Anglian Water Group.

Other current appointments
Chair, BAE Systems plc; Non-Executive Director, Troy Asset Management Ltd.

Committee membership
Nomination
Remuneration

Dr Val Rahmani
Independent Non-Executive Director

Appointed to the Board in December 2017.

Skills, knowledge and contribution
- Significant expertise and knowledge of technology and technical risk management
- Deep understanding of digital transformation, innovation, sales and marketing
- Extensive listed director experience accompanied by expert corporate governance knowledge

Experience
Val worked for IBM for almost 30 years and was Chief Executive Officer of cyber security start-up, Damballa Inc., for four years. Her past career also included Non-Executive Director positions at Aberdeen Asset Management plc, Teradici Corporation and CTG, Inc. Val previously ran the Innovation Panel for Standard Life Aberdeen and holds a Doctorate of Philosophy in Chemistry from the University of Oxford.

Other current appointments
Non-Executive Director, RenaissanceRe Holdings Limited; Non-Executive Director, Entrust.

Committee membership
Nomination
Remuneration
Risk

Ashok Vaswani
Independent Non-Executive Director

Appointed to the Board in June 2021.

Skills, knowledge and contribution
- Extensive experience in, and understanding of, banking and the financial services industry
- Deep knowledge and comprehension of technology, risk management, and wealth management
- Expertise in data and analytics and capital markets

Experience
Ashok held a number of senior roles within Barclays Group, including: Chief Digital Strategy Officer at Barclays plc (2021-2022); CEO, Global Consumer Banking & Payments (2019-2021); CEO, Barclays UK (2016-2019); CEO, Personal and Corporate Banking (2014-2016); CEO, Retail and Business Banking (2012-2014); CEO, UK Retail and Business Banking (2011-2012); CEO, Africa (2010-2011); and CEO of Barclaycard Europe (2010). Prior to joining Barclays, Ashok was a Partner at Brysam Global Partners LLC (2007-2009), a private equity firm specialising in consumer financial services in emerging markets. From 1987 to 2007, Ashok held a number of senior roles within Citigroup Inc. Ashok also served as President and Adviser at Pagaya, a FinTech based in New York (2022-2023).

Other current appointments
Managing Director and Chief Executive of Kotak Mahindra Bank.

Committee membership
Audit
Nomination
Risk

William Vereker
Independent Non-Executive Director and Chair of the Remuneration Committee

Appointed to the Board in October 2022.

Skills, knowledge and contribution
- Highly experienced banker, including experience in executive roles
- Significant knowledge and experience of capital markets, post trade and investment banking
- Deep knowledge of financial services and regulatory and government relations

Experience
William began his career at Morgan Stanley and held a variety of investment banking roles with a focus on the energy and utility sectors, which culminated with him being MD & Head of European Utilities (2001-2005). He also held a number of senior executive roles in the investment banking sector with Lehman Brothers (2005-2008), Nomura (2009-2013) and UBS (2013-2018). William's time at UBS saw him serve as Global Head of Investment Banking from 2016 to 2018. William served as the Prime Minister's Business Envoy (2018- 2020), before becoming Vice Chair of the EMEA Investment Bank at JP Morgan.

Other current appointments
Chair, Santander UK; Member, UK Investment Council; Member, Advisory Board, Celonis GmbH; Chair, Advisory Board of Gonville and Caius College, Cambridge.

Committee membership
Remuneration (Chair)
Nomination
Risk

Michel-Alain Proch*
Group Chief Financial Officer-designate

Appointed to the Board with effect from 1 March 2024.

Skills, knowledge and contribution
- Significant financial leadership experience in global listed companies
- Deep experience across global, financial infrastructure and IT data solutions firms
- Extensive experience of mergers and acquisitions and delivering strategic growth

Experience
Prior to joining the Group on 26 February 2024, Michel-Alain was Group Chief Financial Officer of Publicis Groupe SA (2021-2024) where he led the global finance team across 100 countries. Prior to joining Publicis Groupe, Michel-Alain was CFO of Ingenico until its acquisition by Worldline (2019-2020), and then served as adviser to the CEO in the integration of the two companies. He previously spent almost 13 years at Atos in a number of senior roles, including Group Chief Financial Officer, CEO, North America and Group Chief Digital Officer, completing and integrating several strategic acquisitions.

Other current appointments
Vice Chairman, Maisons du Monde; Non-Executive Director, Pluxee N.V.

Corporate governance report

Board responsibilities

The LSEG Board is collectively responsible for the long-term, sustainable success of the Company, the delivery of sustainable value to its shareholders and contributing to wider society.

The Board:
— provides leadership of the Company and is responsible for setting the strategy and maintaining high standards of governance;
— leads the development of the Group's culture, values and behaviours;
— oversees the execution of the Group's strategy and holds executive management to account for its delivery;
— ensures necessary resources are in place for the Group to be able to meet its objectives and measures performance against these. This includes the establishment of a framework of prudent and effective controls, which enable risk to be assessed and managed;
— reviews and holds management to account for financial and business performance; and
— ensures that its responsibilities to shareholders and stakeholders are met, including through effective engagement. This includes having workforce policies and practices that are consistent with the Company's values and support the Company's long-term sustainable success.

In carrying out their duties, the Directors act in accordance with all relevant and applicable legislative and regulatory rules. In particular, they take into account Directors' duties contained in the Companies Act 2006 (the "Act") and will consider the factors listed in Section 172 of the Act and any other relevant factors.

LSEG's Section 172(1) statement for the year ended 31 December 2023, including details of certain Board decisions taken during the year, can be found on pages 75 to 78 of the Strategic Report.

The Directors have full access to the advice and services of the Group Company Secretary, who is responsible for advising on corporate governance matters.

Board Committees

The Board has delegated certain responsibilities to four Board Committees: the Audit, Nomination, Remuneration and Risk Committees. Full details of the Committees' responsibilities are set out in individual terms of reference which are available on the corporate website. The work undertaken by each Committee during the financial year is detailed within the respective Committee reports on pages 106 to 123.

Board composition

As at the date of this report, the Board is composed of 12 members: the Chairman, seven independent Non-Executive Directors, two Non-Executive Directors (the Shareholder-appointed Director[1] and the Director appointed in connection with the strategic partnership with Microsoft[2]), and two Executive Directors. Five of the Directors are women; two of the Directors are from a minority ethnic background; and two senior positions are held by female Directors (Senior Independent Director and Chief Financial Officer). The Board Diversity Policy, which is reviewed annually, is available on the corporate website: https://www.lseg.com/en/about-us/corporate-governance. The Board's statement of division of responsibilities can also be found on this web page.

Board and Committee meetings

The table shows the number of scheduled and ad-hoc meetings attended against the number of meetings each Director was eligible to attend.

Director	Board	Audit	Risk	Nomination	Remuneration
Don Robert	6/6			4/4	6/6
David Schwimmer	6/6				
Anna Manz	6/6				
Dominic Blakemore	6/6	5/5	4/4	4/4	
Martin Brand	6/6			4/4	
Kathleen DeRose	6/6	5/5	4/4	4/4	
Tsega Gebreyes	6/6	5/5	4/4	4/4	
Scott Guthrie	6/6			4/4	
Cressida Hogg	6/6			4/4	6/6
Valerie Rahmani	6/6		4/4	4/4	6/6
Ashok Vaswani	6/6	5/5	4/4	4/4	
William Vereker	6/6		4/4	4/4	6/6
Directors who left during the year					
Erin Brown	1/1				
Doug Steenland	4/4			2/2	

The Non-Executive Directors meet privately without the Executive Directors being present after every Board meeting. Comprehensive Board and Committee papers, comprising an agenda and formal reports and briefing papers are sent to Directors in advance of each meeting. Directors are also updated with written and verbal reports, from senior executives and external advisers during the meeting.

1 Director appointed under the Relationship Agreement by York Parent Limited (which is owned by Thomson Reuters Corporation and a consortium of certain investment funds managed by Blackstone Group Inc.), York Holdings II Limited, York Holdings III Limited (each of which are wholly-owned subsidiaries of York Parent Limited) and BCP York Holdings (Delaware) L.P.
2 Appointed under the lock-up agreement with Microsoft Corporation.

Stakeholder engagement

The Board seeks to understand the interests, needs and concerns of shareholders and other key stakeholders (including customers, the workforce and regulators) to enable the Company to pursue long-term sustainable success. For more information on how we engage with our stakeholders as well as how the Board has discharged its duties under Section 172 of the Companies Act, please see pages 69 to 78 of the Strategic Report.

Relations with shareholders

We believe that regular and ongoing engagement with our key stakeholders and, in particular, our shareholders is central to good corporate governance. The Group's Investor Relations (IR) function, reporting to the Chief Financial Officer, manages a shareholder engagement programme throughout the year.

The Chair, Senior Independent Director and Chairs of each Board Committee are available to engage with major investors, typically to discuss corporate governance matters. In 2023, the Chair engaged with shareholders on matters including sustainability, remuneration and Board composition, as well as performance against the Company's strategy. The Chair of the Remuneration Committee consulted with major shareholders and proxy voting agencies to understand their views on the proposed approach for our Remuneration Policy and key executive remuneration decisions. Further details and the outcome of this engagement are included within the Directors' Remuneration Report from page 117.

Senior management and the Investor Relations (IR) team engage with investors to discuss strategy, performance, sustainability and other matters. We continued to ramp-up investor engagement in 2023 and demand for the stock proved to be strong, with the Blackstone consortium executing three successful share placings during the course of the year, each of which was significantly oversubscribed. In total, the former Refinitiv owners successfully placed over £6 billion worth of LSEG stock in 2023. Across the year, we held over 470 engagements with institutional equity and debt investors (significantly higher than the FTSE 100 average), with interest primarily from the UK and USA but with increasing interest from countries such as Canada and Australia as we look to broaden our outreach more globally. Senior executive management and the IR team took part in 9 conferences this year, across the US, Canada, the UK and Continental Europe, hosted by banks or industry organisations.

As well as expanding our conference schedule, we also ran a number of roadshows with executive management both internationally and in the UK as we continued to step up our efforts to explain our investment case and strategy to a wider range of prospective global investors. We achieved broad coverage of our existing register, meeting with over 85% of our active shareholder base.

In 2022, we ran a comprehensive investor perception study through our external advisers, Makinson Cowell. One of the key pieces of feedback from that study was that investors expressed a desire for more deep dives into the various businesses that make up the Group and to hear more often from divisional management. In 2023, we held a landmark two-day Capital Markets Event, at which we welcomed more than 90 institutional investors and sell-side analysts to our London headquarters. Hundreds more watched the plenary presentations via a live webcast. The guests were invited to hear presentations from our CEO, CFO, Head of Data & Analytics and Head of Sales & Account Management, as well as to take part in Q&A sessions with management teams from across our business in break-out sessions. Feedback on the event was very positive. From those who provided feedback scores, 92% of attendees said they found the event useful. In addition, 90% of attendees said they now think of LSEG more as an information services company than an exchange, representing the shift in LSEG's market perception since the acquisition of Refinitiv.

The Board receives a report on IR matters at each of its scheduled meetings, including feedback from investors, market expectations of financial performance and updates on share register composition. Sell-side analyst research notes on LSEG are regularly circulated through the business, including to the Board and senior executives. The Group's corporate brokers also provide the Board with advice on market sentiment, input on market communications and share register analysis.

In addition to information on financial and operational performance, the Group engages with shareholders and relevant shareholder advisory agencies on environmental, social and governance (ESG) matters. The Group produces an annual Sustainability Report that details its approach to ESG matters: www.lseg.com/investor-relations/sustainability.

Our AGM provides the opportunity for all shareholders to meet and to put questions to the Board of Directors. Our 2023 AGM was held on 27 April 2023 at Butchers' Hall in London and provided the opportunity for all shareholders to meet and put questions to the Board of Directors.

The IR section of the Group's website (www.lseg.com/investor-relations) is a primary source of regularly updated information about the Group. All financial reports and statements, regulatory news service announcements and disclosures, presentations and other relevant documents are available on the website, together with a list of analysts producing research on the Company and a summary of analysts' forecasts of performance. Recognising that joining our preliminary and interim results conference calls is not always possible, recordings of these calls are accessible to all shareholders via the Group website.

Workforce engagement

The Board believes that having a diverse workforce makes us more dynamic, fosters innovation and boosts performance. The Board continues to support the goals for senior leadership set by management which include goals for ethnic diversity and gender diversity. The Board regularly tracks progress against these through Equity, Diversity & Inclusion. Further information on Equity, Diversity & Inclusion can be found in our Sustainability section on page 61.

Information on workforce engagement can be found in the Stakeholder Engagement section on pages 71 and 72. The Board believes that the direct and indirect engagement it undertakes with the workforce, as well as the range of engagement activities that it has undertaken during the year, as described in the stakeholder engagement section, are effective and have facilitated meaningful, two-way dialogue between the Board and employees. The forms of engagement undertaken during the year have enabled the Board to hear from a broad range of our workforce across our regions and at different levels of seniority and role type, given the size and global footprint of the Group.

Board independence

The Board has evaluated the independence of all the Non-Executive Directors. In assessing each Director, the Board considers whether there are relationships or circumstances which are likely to affect or could appear to affect a Director's judgement.

Martin Brand was appointed to the Board as a Non-Executive Director in 2021. Martin represents Blackstone in accordance with the terms of the Relationship Agreement, which is considered to be a significant shareholder of LSEG.

Scott Guthrie was appointed to the Board as a Non-Executive Director with effect from 1 February 2023. Scott represents Microsoft Corporation and was appointed in connection with the strategic partnership (for further information please see pages 18 and 19).

The Board agreed that Martin and Scott would not be considered independent under the Code given their relationships with Blackstone and Microsoft respectively. They are not members of the Audit, Remuneration or Risk Committees.

The Board has evaluated the independence of the other Non-Executive Directors and concluded that each are independent in character and judgement. The Chair was independent on appointment.

In line with the Code, at least half the Board, excluding the Chair, are independent Non-Executive Directors. All Directors are subject to annual re-election at the Company's AGM.

Matters considered by the Board

Each of the regular meetings includes a wide-ranging report from the Chief Executive Officer, together with reports from the Chief Financial Officer on the Group's financial performance and the Chief Operating Officer on the continued progress of the Refinitiv integration programme, the Group's transformation programme and Group operations. Reports from the Committee Chairs and updates on major projects were also provided at each Board meeting.

During the year, the key matters considered by the Board included the following:

Customers

— Customer matters, including meetings with customers and key account executives during the Board visit to Paris. This included deep dives on key customer relationships; FX strategy; and the development of product solutions to meet customer needs.
— Updates on customer metrics and key customer initiatives.
— Reviews of new products and services, including the non-deliverable forward product, the Group's first global FX trading venue launched in Singapore in November 2023.
— Deep dive focusing on the relationship with banks as customers and suppliers of finance to the Group.
— Review of brand transformation programme.

Strategy, execution and integration

— Regular updates on progress against the strategic objectives, capital expenditure and investment projects and key projects and programmes.
— Regular updates on the strategic partnership with Microsoft for next-generation data and analytics and cloud infrastructure.
— Regular updates on the Refinitiv integration, including in relation to achieving the stated targets and synergies, customer matters, people and culture, transformation and technology.
— Approval of M&A transactions, including the acquisition of Euronext's 11.1% stake in LCH SA.
— Annual Board strategy day at which the Group's strategy was considered and approved.

Sustainability

— Review and approval of the sustainability strategy.
— Considered and challenged updates on sustainability matters and the Group's position on sustainability as well as progress achieved against strategy.
— Agreed the key areas of focus for the sustainability programme in 2024.
— Review and approval of the annual Sustainability Report, Climate Report (including TCFD Report) and the Modern Slavery and Human Trafficking Statement.
— The Audit Committee held a training session on climate reporting which all Board members were invited to attend.

People and culture

— Review of the updated People strategy, culture at LSEG and deep dives on talent and capabilities.
— Received updates on employee welfare, including benefits and wellbeing offerings, compensation reviews targeting cost of living challenges; and enhancements to the global diversity, equity and inclusion strategy.
— Updates on employee wellbeing as a result of the geopolitical events that took place in the year, including the ongoing conflicts in Ukraine and Israel.
— Reports from Directors on their engagement with colleagues across the Group. The Board reiterated that management should take appropriate action in response to the feedback from colleagues. Further information can be found in the stakeholder engagement section on pages 71 and 72.
— Discussion of the results of the annual LSEG Engage survey. The Board endorsed the actions proposed by management in response to the feedback from the workforce.
— Challenged management on the new values and received updates on the launch and reception of these. Further information can be found on page 60.

Finance, investor relations and capital

— Review and detailed examination of the Group's financial performance.
— Approval of the annual budget and three-year strategic plan, with particular focus on capital allocation and investment in technology as well as other strategic priorities.
— Updates from the Investor Relations team on views from shareholders on a broad range of issues pertinent to the Group's business.
— Proposal of the 2022 final dividend of 75.3 pence per share, which was subsequently approved by shareholders on 27 April 2023. The Board also approved the 2023 interim dividend of 35.7 pence per share which was paid to shareholders on 20 September 2023.
— Approval and completion of a directed share buyback programme to purchase £750 million of limited-voting ordinary shares from the Blackstone-Thomson Reuters consortium.
— Approval of the new medium-term guidance, announced in November 2023, which included mid to high single-digit organic revenue growth annually. The Board also approved a simplified dividend policy.
— Approval of the return of £1 billion to shareholders via share buybacks in 2024.

Risk management and internal controls

— Regular updates from the Chief Risk Officer on key risk management and internal control matters, and discussion of key risks and, where applicable, risk reduction activities.
— Review and approval of the Group's Risk Appetite Statements and the Policy Governance Framework, which sets the requirements for all policies within the Group.
— Updates on technology and operational resilience, including cyber security.
— Updates at each Board meeting from the Chairs of the Risk and Audit Committees on matters considered by these Committees. All Board members have access to the materials provided to these Committees.

Board training and deep dives

The Board continued its practice of holding deep dives on key topics. In 2023, it participated in a number of sessions relating to the strategic partnership with Microsoft, a number of the Group's businesses and key strategy-related briefings during the Board visit to Paris. This included focused sessions on trading and banking in EMEA, Capital Markets in Europe and technology operations in Europe. It also held training sessions on UK Market Abuse Regulations and the Listing Rules.

Chairs' Forum

The Chairs' Forum is composed of the Chairs of the Group's principal regulated subsidiaries and the Group Chair, with the Group CEO being invited to meetings on a regular basis. The Forum provides opportunities for relevant subsidiary Chairs from across the Group to engage on common themes and topics of interest. During the year, this included: strategic matters, regulatory matters, succession planning, customers, technology and migration to the cloud and capital allocation.

Board effectiveness and leadership

A Board effectiveness review is carried out annually in line with the UK Corporate Governance Code (the "Code"), with a review being externally facilitated every three years.

2022 Effectiveness Review

The 2022 Effectiveness Review was facilitated externally and identified areas where the Board considered further focus would be needed during 2023. These are summarised below, together with the resulting actions taken in 2023.

Area	Description	Summary of actions taken
Board knowledge	Gain further understanding of certain areas, including teach-ins on each Division of the Group, moving to the cloud and acquisitions	The Board participated in a number of deep dive sessions which were focused on enhancing their understanding in the key areas flagged in the previous review.
Board, executives, and deeper relationships	Deepen the Board relationship with the Executive Committee	The Board continued efforts to deepen its relationship with the Executive Committee throughout the year both on a group and individual basis. This included attendance by an Executive Committee member at each Board meeting and inviting members of the Executive Committee to join the Board's visit to the Paris office. The Board also met with Erica Bourne, Satvinder Singh and Ron Lefferts following their appointments to the Executive Committee, and notably, all presented at Board meetings during 2023 and at the Board strategy day.
Board composition and succession planning	Board to consider the priorities for future composition	As reported in its Report on pages 106 to 107, the Nomination Committee continued to monitor succession planning to ensure an appropriate schedule is in place to effectively manage future Board composition. During the year, the Committee recommended, and the Board approved, the appointment of Michel-Alain Proch as Group CFO and Executive Director. Michel-Alain joined LSEG on 26 February 2024 and becomes CFO and Executive Director on 1 March 2024. For more information, please see the Nomination Committee report on pages 106 to 108.
Stakeholders	Board to identify further opportunities to engage with shareholders, including their views on LSEG and growth; and customers, including a deeper understanding of customer needs and the data that is most valuable to them	The Board engaged with various stakeholders during 2023, including customers, employees and regulators. Further information on this can be found in the Board engagement with stakeholders section on pages 69 to 74.

2023 Effectiveness Review

In 2023, the Board undertook an internal evaluation of the performance of the Board, its Committees, the Chair and the individual Directors. The evaluation process was conducted by the Group Company Secretary using a detailed questionnaire provided by an external provider, Lintstock.

The 2023 effectiveness review sought the views of Directors on the effectiveness of the organisation and dynamics of the Board and its Committees, the papers and topics covered at the Board and Committee meetings, the purpose and culture of the business, stakeholder engagement, the relationship between the Non-Executive Directors and management, the current and future composition of the Board, the oversight of risk management and internal controls, and the leadership of the Board.

The outputs of the evaluation were reported to, and considered by, the Board and actions and focus areas for the Board and its Committees to undertake in 2024 were agreed.

As part of the 2023 effectiveness review, the Senior Independent Director led a review of the performance of the Chair, using a similar form of questionnaire provided by Lintstock. The Chair meets with Directors individually to discuss their performance.

The results of the effectiveness review will also be used to assist in the future development of the Board, its Committees and its individual Directors.

Results

The 2023 effectiveness review identified a number of positive attributes including:

- **Board composition and dynamics** – current Board composition and the relationships between the Non-Executive Directors and the Executive Directors.
- **Stakeholder oversight** – the Board noted a significant improvement in shareholder and investor oversight.
- **Employee sentiment/culture** – Board employee engagement sessions were well received.
- **Board support** – quality of Board governance and Board support was highly rated.
- **Strategic and operational oversight** – the Board noted the improved oversight in these areas.
- **Risk management and internal control** – rated positively overall, however future areas of focus were identified (see next steps for further information).

Overall, the review found that the Board and its Committees are performing well and are effective. The results indicated that the Board considers that it has the appropriate balance of skills, experience, independence and knowledge to enable it and its Committees to discharge their duties and responsibilities effectively.

Next steps
The Board agreed that areas of focus for 2024 should be:
- **Board Composition and Dynamics** – to build on relationships between the Non-Executive Directors and the wider executive team particularly in the light of changes to the executive team.
- **Stakeholder Oversight** – having benefited from the time spent during the year focusing on customers, the Board will seek to further increase this in 2024.
- **Strategic Oversight** – the Board identified the following areas in which focused time should be spent on furthering its understanding and oversight capability:
  - Technology, particularly technological change and the D&A strategy;
  - Delivery of the Microsoft Partnership and product development;
  - External insights, particularly competitive dynamics; and
  - Organisational capacity to deliver the strategy and continued focus on the development of internal talent and pool of future succession candidates.
- **Risk Management and Operational Resilience** – Oversight of operational resilience will remain a key priority for the Board in 2024 which is seen as important for delivery of the Group's ambitions and for our customers.

The results of the effectiveness reviews of the Committees were positive about the management and composition of the Committees as well as the quality of the information received.

Committee 2024 areas of focus

Audit Committee
- Additional support and education in relation to sustainability and in the business areas and associated risks.
- Ensuring a smooth transition of the external auditor from EY to Deloitte.

Nomination Committee
- Continued focus on Board and Executive Committee succession.
- Performance and development of the Executive Committee.
- Broader focus on talent management across the Group.

Remuneration Committee
- Effectively delivering the new remuneration policy.

Risk Committee
- Provide further support and education around technology matters.
- Continued focus on operational risk management and further improving resiliency.

Conflicts of interest
The Company's Articles of Association allow the Board to authorise conflicts of interest that may arise and to impose such limits or conditions as it thinks fit. The Group has established procedures whereby actual and potential conflicts of interest are regularly reviewed, appropriate authorisation is sought prior to the appointment of any new Director, and new conflicts are addressed appropriately.

The decision to authorise a conflict of interest can only be made by non-conflicted Directors and, in making such decisions, the Directors must act in a way they consider, in good faith, would be most likely to promote the Company's success.

Indemnities
Directors have the benefit of indemnity arrangements from the Company in respect of liabilities incurred as a result of their office and execution of their powers, duties and responsibilities. The Company maintained a Directors' and Officers' liability insurance policy throughout the year. This policy covers the Directors for any such liabilities in respect of which they are not indemnified by the Company and, to the extent to which it has indemnified the Directors, also covers the Company. Neither the Company's indemnity nor insurance provides cover for a Director in the event that the Director is proved to have acted fraudulently or dishonestly.

Risk management and internal control

The Board is responsible for ensuring the Group's risk management framework and internal control system is maintained and remains effective. This covers all material controls, including financial, operational and compliance controls. The Risk Management Framework prescribes the extent of the principal risks the Group is willing to take to achieve its long-term strategy. The internal control system safeguards the quality and integrity of internal and external financial reporting as well as operational, legal and regulatory compliance.

The system of internal controls is designed to facilitate the management of the Group's activities within the Board's risk appetite. Rather than eliminate the risk of failure to achieve the Group's objectives, the system of internal controls can only provide reasonable, but not absolute, assurance against material control failures. The Board is committed to maintaining a robust internal control system, with a view to continuously maturing, embedding and optimising enhanced risk management practices throughout the Group.

The Board delegates some of its responsibilities to the Audit Committee and Risk Committee.

The Audit Committee regularly works alongside the Risk Committee to monitor the adequacy and effectiveness of the Company's internal control systems and risk management systems. The Audit Committee also monitors the effectiveness and objectivity of internal and external auditors. The Audit Committee reports regularly to the Board on its activities. In 2023, the Audit Committee reviewed the Group's continued work to further enhance and mature the internal controls environment, despite the withdrawal of some proposals under the Government's planned Audit and Corporate Governance reforms. Further details on the activities of the Audit Committee can be found on pages 109 to 114.

The Risk Committee assists the Board in fulfilling its responsibilities by advising on risk strategy and overseeing the development, implementation and maintenance of the Group's Enterprise Risk Management Framework (ERMF) and the Group Risk Appetite statement. The Risk Committee reports regularly to the Board on its activities. Further details on the activities of the Risk Committee can be found on pages 115 and 116.

A summary of some of the Group's Risk Management Frameworks and internal controls are listed below:

Enterprise Risk Management Framework
The Board annually approves the Group's ERMF. The ERMF sets out a standard approach for managing risk across the Group. It ensures that all risks are adequately understood and managed within risk appetite across all levels of the Group. During 2023, the Risk Committee reviewed the ERMF to identify areas of optimisation to further enhance the maturity of the Group's enterprise risk management. Further details on the ERMF can be found in the principal risks and uncertainties section from page 79.

Risk Appetite Statement
The Board approves the Group Risk Appetite Statement which outlines the key concepts of risk appetite and risk tolerance that the Group will accept in pursuit of its strategic objectives. It is determined in line with the Group's strategy. The Group Risk Appetite Statement allows management to understand the potential risks associated with strategic and operational decisions; assess whether the risk return on capital is acceptable; and put in place mitigating actions to reduce risk exposure to acceptable levels. It maintains the correct balance between risks and rewards, thus ensuring the Group remains more resilient by taking better informed decisions.

Financial Control Framework
LSEG has established a Financial Control Framework (FCF) that sets out to develop and maintain a robust financial control environment, that mitigates the risk of material financial misstatement, and helps protect the Group against financial fraud. The FCF aims to ensure clear links between the Group's financial reporting risks and the associated processes and control environment, making sure these are tested and appropriately documented. The FCF is also focused on ensuring the right culture and training is in place to support a risk-first mindset. The Audit Committee receives regular updates on the progress being made to enhance the FCF.

Financial reporting controls
Ahead of each reporting period end, the Group's financial reporting process is facilitated using accounting policies and reporting formats and is supported by guidance issued to all reporting entities within the Group. Management is responsible for maintaining the control environment for financial reporting and ensuring policies and procedures exist around the maintenance of records. The submission of financial reports from each reporting entity is subject to a rigorous review. Management must provide assurance regarding the reliability and accuracy of the Group's financial reports. The Audit Committee reviews the application of the Group's accounting policies as well as significant accounting judgements and estimates. It also reviews the externally reported interim and full-year results and satisfies itself that these are fair, balanced and understandable.

Internal Audit
The Board, together with the Audit Committee, is responsible for ensuring the independence and effectiveness of the Internal Audit function. Internal Audit's primary function is to provide independent and objective assurance to the: Board; Audit Committee; and executive management on the adequacy and effectiveness of the Group's system of internal controls. The Internal Audit function provides opinion and challenge on the control environment and provides assurance on the Group's ERMF. Internal Audit provides an opinion on the adequacy and effectiveness of the Group's framework of governance, risk management and controls on an annual basis. This is achieved through a programme of assurance over key risks applicable to the Group and audits required by regulation. To ensure independence, the Internal Audit function sits within the third line of defence in the Group's risk control structure and has no operational responsibilities for the legal entities or processes which it reviews.

The independence of the Internal Audit function from executive management is protected by the following measures:
- The Chief Internal Auditor reports directly to the Chair of the Audit Committee and has direct access to the Chair of the Board. For administrative matters she has a secondary reporting line to the Chief Executive Officer (CEO).
- The Chair of the Audit Committee and CEO jointly assess the performance of the Chief Internal Auditor.
- The Audit Committee approves the Internal Audit Charter and annual budget.

Further details on the Internal Audit function can be found in the internal audit charter which is available on the Group's website at https://www.lseg.com/en/about-us/corporate-governance

Policy Governance Framework
The Group is committed to operating within a robust control environment. LSEG has a Policy Governance Framework (PGF) which details the internal governance for all Group policies. The PGF outlines the development, maintenance, implementation and compliance of all Group policies. It details how various risks within Group policies are addressed and ensures all Group policies comply with the PGF.

Management Structure/Delegation of Authority
The Group operates a matrix structure designed to optimise resource allocation and organisational capacity. Subject to the Schedule of Matters Reserved for the Board, the Board has delegated the day-to-day running of the Group to the CEO. The CEO is supported by the Group Executive Committee (ExCo), which is designed to ensure open challenge and support effective decision-making. Each ExCo member is accountable for a key operating division, business area or function.

The ExCo meets regularly to assist the CEO in exercising his authority over material matters that have strategic, cross-business area or Group-wide implications. Delegation from the Board requires ExCo members to maintain responsibility and sustain a control environment that is appropriate to their division, business area or function.

The ExCo has established subcommittees: the Financial, Investment & Capital Committee (FICC); and the Executive Risk Committee (ERC). The remit of the FICC is wide ranging and includes: reviewing the financial and legal implications of Group contracts; approving changes to the Group's corporate structure; an annual review of the Group's overall tax governance policy; and monitoring of the Group's intragroup lending arrangements. The ERC oversees matters such as risk culture, risk profile oversight, risk policy oversight, risk appetite and risk disclosures and reporting.

The Board is satisfied that the operation and effectiveness of the Group's system of internal controls throughout 2023 and until the date of approval of the Annual Report, are sufficiently robust. A thorough assessment of the principal risks facing the Group, including those that would threaten its business model, future performance and liquidity, have been carried out during the year. Necessary actions have been or are being taken to remedy any control issues identified during these reviews. The Board concluded that the Group's risk management systems are sufficient given the Group's risk profile, risk appetite and long-term strategic objectives. The Board will continue to consider further enhancements to its risk management and internal control system, to ensure it complies with regulatory and legal developments and changes to the external environment.

Further information
Further detail on the Group's risk management and an overview of the principal risks and uncertainties (including a summary of emerging risks) of the Group is provided on pages 79 to 88.

Complying with the provisions of the Code

Throughout the financial year ended 31 December 2023 and to the date of this report, London Stock Exchange Group plc has complied with all principles of the Code, and complied with all provisions of the Code, except for provision 32. Provision 32 of the Code states that the Chair of the Remuneration Committee should have served on a remuneration committee for at least 12 months before becoming chair. William Vereker was appointed as Chair of the Remuneration Committee on 14 September 2023, having served on the Committee since 3 October 2022. William Vereker is an experienced Board member with significant knowledge of financial services, regulatory matters and corporate governance. The Board agreed that William was suitably qualified to take on the role of Remuneration Committee Chair and to oversee the review of the Remuneration Policy. The decision to appoint William as Committee Chair shortly before 12 months of experience on a remuneration committee was taken to allow William to lead the Committee on the proposed changes to the Remuneration Policy, including consultation with shareholders. He is supported in his role by the other Committee members, including Cressida Hogg, the previous Chair of the Remuneration Committee.

The Code is publicly available at the website of the UK Financial Reporting Council at www.frc.org.uk. Details of how the principles of the Code have been applied can be found throughout this Corporate Governance Report, the Strategic Report, and the Committee reports. The following table outlines where narrative on the principles is positioned throughout the Annual Report:

	Section Heading	Page Number
1. Board leadership and Company purpose		
A. Leadership, long-term sustainable success, generating value for shareholders and contributing to wider society	Corporate governance report	98
B. Company purpose, values and strategy	Our purpose and strategy	26-27, 60
C. Resources and prudent and effective controls	Corporate governance report	98, 103
D. Effective engagement with stakeholders	Board engagement with stakeholders	69-74, 99
E. Workforce policies and practices	Sustainability	60-62
2. Division of responsibilities		
F. Leadership of the Board	Corporate governance report	98
G. Board composition and clear division of responsibilities	Corporate governance report	94-98, 100
H. Role and time commitment of Non-Executive Directors	Report of the Nomination Committee	107
I. Policies, processes, information, time and resources, and support of the Company Secretary	Corporate governance report	98, 102-103
3. Composition, succession and evaluation		
J. Board appointment process and effective succession planning	Report of the Nomination Committee	106-108
K. Board and committee skills, experience and knowledge	Board of Directors	94-97, 106-108
L. Annual board and individual director evaluation	Corporate governance report	102-103
4. Audit, risk and internal control		
M. Independence and effectiveness of internal and external audit function	Report of the Audit Committee	112
N. Fair, balanced and understandable assessment of Company's position and prospects	Report of the Audit Committee	114
O. Procedures to manage risk, oversee internal control framework and determine nature and extent of principal risks	Principal risks and uncertainties, Corporate governance report	79-88, 103, 104
5. Remuneration		
P. Remuneration policies and practices	Report of the Remuneration Committee	126, 128
Q. Procedure for developing policy on executive, Director and senior management remuneration	Report of the Remuneration Committee	127-128
R. Independent judgement and discretion in remuneration outcomes	Report of the Remuneration Committee	121-122

Report of the Nomination Committee

Key areas of focus for the Committee in the year were Board composition, succession planning and the appointment of Michel-Alain Proch as Chief Financial Officer and Executive Director. This report describes the work of the Committee.

Don Robert
Chair of the Nomination Committee

Achievements for 2023

The priorities set by the Committee at the start of the year were:

1. Continue to ensure a diverse talent pipeline.
2. Review succession plans for Non-Executive Directors to ensure that future changes are appropriately managed to avoid a significant number of changes in quick succession.
3. Continue to keep Executive Committee succession planning under review.

Composition and meetings

The Committee's membership is composed of all the Non-Executive Directors. Structuring the membership in this way enables Non-Executive Directors to participate in all discussions relating to Board composition and succession planning, reflecting the importance placed by both LSEG and the Code on these areas. The names and biographies of the Non-Executive Directors who sit on this Committee can be found on pages 94 to 97 of this report.

The Group Company Secretary is the Secretary to the Committee and attends all meetings. The Group Chief Executive Officer (CEO), Chief People Officer and external advisers attend where requested by the Committee.

Committee purpose and responsibilities

The Nomination Committee is responsible for monitoring the balance of skills, knowledge and experience as well as the diversity of the Board. It is also responsible for making recommendations of new appointments to the Board and overseeing Board and senior management succession planning. Further details on the responsibilities of the Nomination Committee can be found in the Committee's terms of reference which are reviewed annually and available on the Group's website at: https://www.lseg.com/en/about-us/corporate-governance.

The Committee met four times during the year and, in addition, Committee members also met with Director and senior management candidates. I am pleased to confirm that the Committee's priorities have been met, as described in this report.

Key activities in the year

Board succession planning and Board appointments

The Board recognises the need to regularly refresh the balance of skills, tenure and diversity on the Board. During the year, the Committee reviewed the structure, size and composition of the Board and its Committees, to ensure critical skills and experience were refreshed. In carrying out its review, the Committee took account of recent and likely future Board changes, Board expertise, diversity and tenure. This review helped the Committee to identify Board succession requirements. Appointments to the Board are subject to a formal, rigorous and transparent procedure.

Following the announcement on 25 May 2023 that Anna Manz would step down from the Board as CFO and Executive Director, the Nomination Committee approved the appointment of Russell Reynolds, an external search consultancy which is a signatory to the Enhanced Voluntary Code of Conduct for executive search firms, to assist in the search for a new CFO and Executive Director. The Committee approved an outline brief and role specification and Russell Reynolds was instructed to produce a diverse list of candidates for consideration.

David Schwimmer provided regular updates to the Board and the Committee on the progress of the search. Shortlisted candidates were interviewed by the CEO, the Chair and members of the Executive Committee. The final two preferred candidates met with Cressida Hogg, Dominic Blakemore and William Vereker, the Senior Independent Director, Chair of Audit Committee and Chair of Remuneration Committee, respectively. Other members of the Nomination Committee were also then invited to meet with the preferred candidate. Following this interview process, the Nomination Committee recommended, and the Board approved, the appointment of Michel-Alain Proch as CFO and Executive Director. Michel-Alain joined the Group on 26 February 2024 and will become CFO and Executive Director with effect from 1 March 2024. Michel-Alain brings deep experience across global, financial infrastructure and IT data solutions firms. He was previously CFO for Publicis Groupe SA where he led the global finance team across 100 countries. Prior to this, he held several listed company CFO positions, including at Ingenico and Atos, where he was also CEO, North America and Group Chief Digital Officer. Michael-Alain serves as Vice-Chairman of the Board, Maisons du Monde and Non-Executive Director of Pluxee.

As disclosed in last year's Nomination Committee report, the Company announced a 10-year strategic partnership with Microsoft and that as part of the partnership Scott Guthrie, Microsoft's Executive Vice President, Cloud and AI Group, joined the Board on 1 February 2023. Scott's appointment was approved by shareholders at the AGM in April 2023. In accordance with the terms of the Relationship Agreement, Erin Brown, representative of Thomson Reuters, stepped down from the Board on 17 March 2023, and Doug Steenland, representative of Blackstone, stepped down from the Board on 20 September 2023. The Board thanks Erin and Doug for their contribution to the Board since the acquisition of Refinitiv in 2021.

Senior management appointments

During the year, the Committee met with the CEO and Chief People Officer to review succession plans and the pipeline for successions for executive management including consideration of diversity. As described on page 14 there were a number of changes to the Executive Committee during the year and the Board Chair, Don Robert, participated in the interview and selection process as well as other Committee members as appropriate. The Committee continues to support the CEO in executive succession planning, for emergency cover and longer-term appointments and the Committee regularly challenges the CEO on diversity and inclusion in regard to senior management succession planning.

The Group Executive Committee is formed of individuals from a diverse range of backgrounds. As at 31 December 2023, 38% of the Executive Committee members were female and 15% were from an ethnic minority background. The names and biographies for the Group Executive Committee can be found on page 15 of this report.

The Group is committed to seeking broader diversity in our leadership with the aim of having more representation from different ethnic and other backgrounds at Executive and Group Leader level. With respect to under-represented ethnic and racial groups, we did not achieve our goal to reach 20% within the leadership community by the end of 2023, closing the year at 14%. We remain focused on making progress through leadership development programmes for underrepresented talent. For more information on the actions we are taking, refer to page 26 of our 2023 Sustainability Report.

Time commitment

The Committee reviews the time commitments of the Directors and approves any significant external appointments being undertaken by the Directors. During the year, the Committee reviewed the additional external appointments of Anna Manz and Ashok Vaswani. The Committee and/or the Board agreed that the proposed appointments at AstraZeneca PLC and Kotak Mahindra Bank, respectively, would not create any material conflict of interest. Both Directors were simultaneously giving up an existing Board position so their overall number of directorships would remain the same. They were therefore able to confirm that they would have sufficient time to undertake these new roles in addition to existing commitments.

Board effectiveness

The results of the 2023 Board effectiveness review are described on pages 102 and 103. Ensuring the skills and experience on the Board were of the appropriate mix was a key area of focus for 2023, and this is reflected in the work of the Nomination Committee. This year's results and agreed areas of focus for the Board are described on pages 102 and 103. The Board will ensure that these focus areas are acted on to further improve Board performance.

Diversity & Inclusion

The Board's membership reflects a wide range of skills and business experience, drawn from a number of industries, which is critical for bringing the expertise required and for enabling different perspectives to be brought to Board discussions. The combination of these factors means that the Board benefits from a diverse range of competencies, perspectives and thoughts, providing an ability to challenge on strategic issues and a dynamic environment for decision-making.

The Board reviewed and approved its Board Diversity Policy which outlines the importance of diversity of gender, social and ethnic backgrounds, and of cognitive and personal strengths to the Board. The Policy is available on the Group website at https:// www.lseg.com/en/about-us/corporate-governance.

As at 31 December 2023, the Board met all of the targets set out in the Financial Conduct Authority's Listing Rule 9.8.6R(9)(a). The table overleaf sets out the diversity data of the Board and executive management as at 31 December 2023.

Reporting table on sex/gender representation as at 31 December 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management[1]	Percentage of executive management[1]
Men	7	58	2	8	62
Women	5	42	2	5	38
Not specified/prefer not to say	0	0	0	0	0

Reporting table on ethnicity representation as at 31 December 2023

	Number of Board members	Percentage of the Board[2]	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management[1]	Percentage of executive management[1]
White British or other White (including minority white groups)	10	83	4	10	77
Mixed/Multiple Ethnic Groups	0	0	0	0	0
Asian/Asian British	1	8	0	2	15
Black/African/Caribbean/Black British	1	8	0	0	0
Other ethnic group including Arab	0	0	0	0	0
Not specified/prefer not to say	0	0	0	1	8

Ethnicity data reflects countries where LSEG collects this information.
1 Defined as the Executive Committee and the Company Secretary in accordance with Listing Rule 9.8.6R(10).
2 Rounded percentages sum to 99%. To 1 decimal place, percentages would be 83.3%, 8.3% and 8.3%.

Board diversity data is collected directly from each Director using a questionnaire and was provided on a self-identifying basis.

At the end of 2023, female representation on the Board was 42%. The Board is also pleased to confirm that it has met the Parker Review recommendations and included two Directors from minority ethnic backgrounds. Throughout 2023, two of the four senior positions on the Board were held by women. Following the resignation of Anna Manz and the appointment of Michel-Alain Proch, female representation will be below 40%. The Board will continue to seek to ensure that these goals are met in the longer term.

Appointments and succession plans are based on merit and objective criteria. Other than appointments covered under the Relationship Agreement and the partnership with Microsoft, the Company uses external search consultancies when making appointments to key positions. These firms are required to provide a diverse list of candidates for senior roles. In particular, the Board's succession and appointment approach aims to secure balanced and diverse shortlists for new appointments.

The Group was an early signatory of HM Treasury's Women in Finance Charter in the UK and met the stretch goal of reaching 40% female representation in our senior leadership population by the end of 2022. We have also made progress during the year on improving gender diversity within the subsidiary companies of the Group, which has increased to 32% (2022: 25%).

In 2023 we developed an enhanced methodology to help us review our equity, diversity and inclusion goals to ensure they remain relevant and appropriate, and have used this to set new goals for 2024 and beyond:
— Gender: maintain at least 40% of women in senior leadership (ExCo and Group Leaders) going forward
— Ethnicity: 25% underrepresented ethnic groups in senior leadership roles (ExCo and Group Leaders) by 2027.

LSEG is a member of the Valuable 500, a collective of 500 CEOs and their companies, innovating together for disability inclusion. For further information on senior leadership gender and ethnicity representation please see our Sustainability section on page 61.

Priorities for 2024

The priorities set by the Committee for 2024 are:
1. Continue to ensure a diverse talent pipeline.
2. Review succession plans for Non-Executive Directors to ensure that future changes are appropriately managed to avoid several Directors stepping down in quick succession.
3. Continue to keep Executive Committee succession planning under review.

Committee effectiveness

The Committee's effectiveness was assessed as part of the 2023 Board and Committee effectiveness review, facilitated internally via a questionnaire provided by Lintstock. Further details can be found in the Governance section of this report on page 102. The result of the review was that the Committee is performing well and operating effectively.

Don Robert
Chair
28 February 2024

Goal achieved for women in senior leadership roles 2023

40%

Report of the Audit Committee

A key focus for the Audit Committee this year was the changing regulatory and corporate governance landscape. The enhancements to the Group's financial control framework, and the plans around sustainability assurance, were therefore important topics during the year.

Dominic Blakemore
Chair of the Audit Committee

Achievements for 2023

The main achievements of the Audit Committee in 2023 were:
- reviewing and recommending to the Board the full-year and half-year 2023 results and approving the associated key accounting judgements and estimates;
- reviewing and approving our Annual Report and Accounts;
- oversight of the 2023 external audit;
- monitoring and reviewing several financial matters including acquisitions and the progress of specific uncertain tax provisions;
- reviewing the progress against the plan to create a leading financial control framework;
- reviewing the broader landscape for sustainability and climate risk reporting as well as Audit and Corporate Governance Reform and the Group's plans for ensuring it remains compliant with future changes to the reporting requirements;
- the completion of the audit tender process and decision to appoint Deloitte LLP as the Group's new external auditor; and
- oversight of the progress of the transition to the new external auditor.

Committee role and responsibilities

The Audit Committee assists the Board in overseeing and monitoring financial reporting (including climate-related financial disclosures), internal controls systems and risk management systems.

The key responsibilities of the Committee are:
- monitoring the integrity of the financial statements;
- reviewing significant financial reporting matters and accounting policies;
- assessing the effectiveness of the Group's internal control and risk management systems (along with the Risk Committee);
- monitoring and reviewing the effectiveness of the Group's Internal Audit function, including its scope of work and findings, and ensuring that it has adequate resources and appropriate access to information to perform its duties effectively and independently from executive management;
- overseeing the relationship with the external auditor, including monitoring their objectivity and independence, approving the annual audit plan and reviewing external audit findings; and
- approving the external audit fees, monitoring non-audit fees paid to the external auditor and ensuring that the external audit is put out to tender on a periodic basis.

Further details on the functions and responsibilities of the Committee can be found in the Committee's Terms of Reference which are reviewed annually and are available from the Group Company Secretary or in the corporate governance section of the Group's website at: https://www.lseg.com/en/about-us/corporate-governance.

The Audit Committee Terms of Reference were updated and approved by the Board during the year to align with the Financial Reporting Council's (FRC) new Audit Committee Minimum Standard and to include responsibility over certain non-financial reporting requirements including sustainability disclosure.

This report considers how the Committee has fulfilled its responsibilities during the year.

Committee membership and attendance

The Committee comprises four (2022: four) Independent Non-Executive Directors. All Committee members have been in place for the full year.

The skills and experience of each Committee member are provided in the Board of Directors section on pages 94 to 97. The UK Corporate Governance Code (the "Code") requires that at least one member of the Committee should have recent and relevant financial experience and that members shall have competence relevant to the sector in which the Company operates. The Committee members have a wide range of experience. The Chair of the Committee, Dominic Blakemore, is a qualified chartered accountant with a career in a variety of senior finance roles. The Chairs of the Audit and Risk Committees each sit on both committees, which makes sure that issues relevant to both committees are identified and managed.

The Committee's effectiveness was assessed as part of the 2023 Board effectiveness review. More details on the Committee's effectiveness can be found in the Governance section of this report on pages 102 to 103.

The Group Chair, Group Chief Executive Officer, Group Chief Financial Officer, Group Financial Controller, Group Chief Risk Officer, Group Chief Internal Auditor, and representatives of the external auditor, EY LLP (EY), are all regular attendees at Committee meetings. Representatives of Deloitte LLP (Deloitte) also started to attend Audit Committee meetings ahead of their formal appointment as auditors to the Group in 2024.

Other members of management may also be invited to present specific matters. The Group Company Secretary is the Secretary to the Committee.

In addition to formal meetings, the Chair of the Committee and some Committee members met with senior management during the year. The Chair of the Committee also meets separately with the external auditor, as required, ahead of each meeting.

Activities during the year

Below we set out the main work undertaken by the Audit Committee covering:

1. Financial reporting;
2. Internal controls, internal audit and risk management;
3. Oversight of the external auditor; and
4. Other activities in the year.

1. Financial reporting

Significant accounting judgements, estimates and assumptions and matters related to the financial statements

The Committee reviewed, discussed and approved the half-year and full-year financial results, significant accounting judgements and estimates and the adequacy of disclosures. The main topics considered are set out below, the first four of which are also identified as key audit matters by the external auditor.

Matter considered	How the Committee addressed the matter
Acquisitions of Acadia and Yieldbroker During 2023, the Group completed two significant acquisitions. This required the valuation of acquired tangible and intangible assets, including customer relationships, technology and goodwill. The fair value of acquired intangible assets and resulting goodwill recognised on acquisition are subject to significant estimates. These include the future performance of the acquired business and the rate of return required to determine an appropriate discount rate (in order to calculate the net present value of the assets acquired).	The Committee reviewed the acquisition accounting for each significant acquisition, including: — determination of the consideration paid; — assessment of arrangements for any contingent payments; — identification and valuation of acquired net assets with a particular focus on intangible assets; — resulting goodwill; and — alignment with LSEG accounting policies. The Committee satisfied itself that goodwill and purchased intangibles had been recognised appropriately. See note 9 to the financial statements on pages 195 to 199.
Measurement of acquired intangible assets, including goodwill The Group carries significant amounts of goodwill and acquired intangible assets on its balance sheet. In line with IAS 36 Impairment of Assets, goodwill allocated to the Group's cash-generating units is assessed for impairment. An assessment of the useful life and amortisation method was performed for certain acquired intangibles, for which there were indicators that a change in amortisation method or amortisation period may be required. Impairment tests for the Group's CGUs are based on value-in-use calculations which require significant estimates over: — future performance; — growth rates; and — discount rates.	The Committee considered the approach and methodology to performing the detailed annual CGU impairment assessment. This included reviewing key assumptions: — cash flow expectations; — short- and long-term growth rates; and — discount rates used for the CGU's cost of capital. Given the significant changes in inflation and interest rates during the year, the Committee was particularly focused on the growth rate assumptions and the discount rates used. The Committee considered and approved the change in amortisation method of particular purchased software intangible assets as well as changes in useful life for certain assets. See note 9 to the financial statements on pages 195 to 199 for details of the impairment review.
Capitalisation and subsequent impairment of internally developed software The Group continues to develop and capitalise significant levels of software. The capitalisation of software development costs involves management judgement against criteria set in IAS 38 Intangible Assets.	The Committee reviewed the methodology used to capitalise software development costs and satisfied itself that it was adequate and in conformity with IFRS. The Committee also considered possible indicators of impairment for significant internally developed software. The Committee approved the recognition of £10 million of internally developed software asset impairment in the year.

Matter considered	How the Committee addressed the matter
Revenue recognition The Group generates revenue from a variety of sources that are material in size and volume. Judgements are applied to the timing of revenue recognition and year-end revenue accruals, particularly across subscription revenues, primary markets admission fees, deferred listings revenue and FTSE Russell revenue accruals.	The Committee was satisfied that sufficient analysis had been performed in this area to conclude that revenue has been recognised appropriately and that there is no evidence that any manipulation of revenues has taken place. The Committee also reviewed the significance of judgements applied and discussed any necessary disclosure requirements. It was concluded that no judgement on revenue recognition required individual disclosure in the Annual Report.
Uncertain tax positions The Group is subject to taxation in the many countries in which it operates. There are five main ongoing tax assessments for which the Group has used guidance under IFRIC 23 Uncertainty over Income Tax Treatments to determine the possible outcomes, and any related obligations, and to assign a probability to each of those outcomes: — EU State Aid — US Internal Revenue Service (IRS) Audit — Russian tax audit — Valuation of certain Refinitiv intellectual property — Diverted Profits Tax to Thomson Reuters	The Committee reviewed the main items at each Committee meeting with a particular focus on the in-year developments below: — **IRS Audit:** The Committee has assessed the financial reporting implications of the Group's ongoing discussions with the IRS in relation to the funding structure within its US subsidiaries following partial settlement agreed in the year. — **Russian tax audit** The Committee discussed the audit by the Russian Tax Authorities for the period 2018-2020, which the Group expects to be settled locally on a similar basis to the settlement for the audit of the period 2021-2022. — **Diverted Profits Tax:** The Committee noted that HMRC's review of two of the three years had been completed, allowing for a reduction in the associated provision. The Audit Committee determined that the provisions and disclosure for these matters are appropriate. See note 6.3 to the financial statements on page 193 for details of the uncertain tax positions.
Non-underlying items/alternative performance measures The Group separately identifies results before non-underlying items (these are referred to as "adjusted"). The Group uses its judgement to classify items as non-underlying (see note 2.3 to the financial statements on page 181).	The Committee discussed and agreed on the classification of non-underlying items in the financial statements for the year. In particular, the Committee discussed the nature and amounts of: — transaction costs; — integration and separation costs; — restructuring costs; — remeasurement gains; and — amortisation of purchased intangibles, mainly linked to the acquisition of Refinitiv in 2021. The Committee increased the financial threshold for items to be considered as non-underlying, to ensure that only significant items, and those not in the ordinary course of business, are treated as non-underlying. The Committee discussed the quality of earnings in relation to the Group's adjusted operating profit. See note 2.3 to the financial statements on page 181.
Pensions The Group operates four defined benefit pension schemes and recognises a net surplus in relation to these schemes on the Group balance sheet. For the Group's defined benefit schemes, judgement is applied to the amount of the retirement benefit assets recognised on the balance sheet. The defined benefit pension liabilities recognised are determined based on the present value of future benefit obligations using assumptions determined by the Group with advice from an independent qualified actuary.	The Committee considered the approach for the value of the retirement benefit assets and the assumptions applied in the calculation of the retirement benefit obligations. The Committee assessed the full buy-in policy for the LSEG Pension scheme and the impact on the retirement benefit surplus. The Committee was satisfied with the approach and assumptions applied by management and that a defined benefit surplus can be recognised. See note 12 to the financial statements on pages 203 to 207.

2. Internal controls, internal audit and risk management

The Committee continued to exercise disciplined oversight of the effectiveness of the Group's internal controls and Internal Audit function, in line with principles of the Code. It fulfilled its responsibilities by reviewing and discussing regular reports from management, the external auditor and the Internal Audit function including:
— reports on compliance with the Code – internal controls (including whistleblowing);
— a report on the Group's plan to comply with the UK Government's Audit and Corporate Governance reform;
— three progress updates on the programme to create a single and leading financial control framework;
— quarterly updates on internal audit delivery;
— regular updates on improvements to the Internal Audit function;
— an annual report on the effectiveness of the Internal Audit function at the first Committee meeting of the year; and
— the external audit management letter from EY. The letter highlighted areas for improvement which were noted by the Committee for follow-up.

During the year, the Committee received an update on the Internal Audit function, which included:
— the development of a refreshed target operating model to reflect the enlarged business and global footprint. The Committee endorsed the approach for building out the global audit function;

— a review of Internal Audit's balanced scorecard; and
— the Results of Quality Assurance activities undertaken during the year.

Impact of acquisitions and disposals on the risk landscape
As a result of the acquisitions throughout the year, the internal audit universe was updated to reflect the changed organisation. As part of annual planning, an inherent risk assessment was undertaken which, alongside regulatory requirement for internal audit work, guided the audit plan for 2023 and, similarly, the plan for 2024.

Management is undertaking significant work to ensure that the risk landscape is fully understood and that appropriate controls are in place to mitigate risk to within the firm's stated risk appetite over time. This work will be supported by the Risk function and by Internal Audit, both of whom are building out resources to support the necessary oversight and assurance.

Internal Audit provides independent assurance on the design and effectiveness of controls that support first line business activities as well as the Group's risk management and governance frameworks. Internal Audit adopts a risk-based audit approach that prioritises providing assurance over the management of key risks that may impact the Group.

As regards the work of Internal Audit, the Committee:
— monitored Internal Audit's progress against the 2023 Audit Plan, including reviewing and approving any changes to the plan during the course of the year;
— in December 2023, considered and approved the 2024 Internal Audit plan and budget and is satisfied that the plan is appropriate;
— received the annual Internal Audit Opinion which sets out the function's view on the effectiveness of the Group's control environment and risk culture as well as themes and root cause analysis arising from audit work performed;
— received updates on emerging audit issues and themes during the course of the year;
— tracked management's progress to address actions within reasonable timeframes;
— approved the Internal Audit Charter which remained consistent with the prior year;
— tracked the implementation of functional improvement actions which followed from the 2022 External Quality Assurance review, which confirmed that Internal Audit generally conforms with applicable Internal Auditing standards; and
— received a report from the Head of Audit Practices and Operations on the results of the function's Quality Assurance activities.

The Committee obtained additional comfort by meeting with the Group Chief Internal Auditor at each Committee meeting without executive management present. In addition, the Group Chief Internal Auditor meets regularly with the Chair of the Audit Committee. The Group Chief Internal Auditor continues to report to the Audit Committee Chair with a secondary reporting line to the Group Chief Executive Officer. This is consistent with industry guidance.

The activities of the Committee relating to internal controls enabled it to satisfy itself that the Internal Audit function is independent, objective and adequately staffed to perform its duties. In addition, the Committee assessed the effectiveness of the Internal Audit function throughout the year using qualitative and quantitative indicators including:
— the Internal Audit balanced scorecard which is presented at each Committee meeting and reflects key performance indicators relating to internal audit plan delivery, quality assurance results, staff engagement and resourcing, as well as the financial management of the function;
— completeness of the audit plan against the agreed coverage model;
— quality of the audit reports and the issues raised;
— root cause insights on the issues raised and feedback from executive management on specific audits; and
— other performance indicators such as the distribution of audit ratings, percentage of past due actions and percentage of self-identified issues.

The Committee concluded that the Internal Audit function is both independent and effective, in line with principle M of the Code. In addition, the Committee (in conjunction with the Risk Committee) relied on this assurance process throughout the year to recommend to the full Board that it could report to shareholders on the effectiveness of the Group's internal control and risk management systems. This assurance satisfies principle O of the Code. The Board statement can be found on page 104.

3. Oversight of the external auditor
The Committee has primary responsibility for overseeing the relationship with the external auditor. This includes recommending the auditor's appointment at the AGM, continuous assessment of the auditor's independence, the effectiveness and quality of the audit, approving the statutory audit fee and non-audit services, reviewing and approving the annual audit plan and meeting with the external auditor to review any issues and the findings of the audit.

The Committee reviewed and approved the 2023 audit plan presented by EY. This included the scope of the audit, the assessment of the key audit risks and areas of focus as well as the materiality threshold for the Group and the threshold for reporting unadjusted differences. Reports from EY on the status of their 2023 plan and the results of their work, as well as EY's own assessment of their independence, were received throughout the year. The external auditor's reports were discussed at each Committee meeting and their views and opinions used to challenge decisions by the Group.

The Committee assessed the effectiveness of the external audit throughout the year in accordance with principle M of the Code. The Committee relied on its own judgement supported by the following evidence:
— a report from management on their own evaluation of the effectiveness of the external auditor based on a questionnaire prepared in accordance with the Financial Reporting Council's (FRC's) guidance and completed by key stakeholders;
— a review of the FRC's 2022/2023 Audit Quality Inspection and Supervision Report, specifically the report related to EY. The Audit Committee also reviewed the results of the FRC's inspection of the LSEG 2021 year end audit which highlighted limited improvements required; and
— the separate meetings held with EY at each Committee meeting without management being present.

Based on all evidence presented, the Committee satisfied itself that the external audit has been conducted effectively, with appropriate rigour and challenge, and that EY had applied appropriate professional scepticism throughout the audit.

EY were appointed as the Group's external auditor in 2014. The lead audit partner and other key partners identified are required to rotate every five years. Other partners are required to rotate every seven years. Simon Michaelson was reappointed as lead audit partner during the year and is in his second year.

The Committee is responsible for conducting the process to select the external auditor and recommends their appointment, reappointment and removal to the Board for approval by the Group's shareholders at each AGM.

Getting ready for a change in auditor
As disclosed in last year's report, following an audit tender process in 2022, the Audit Committee recommended to the Board that Deloitte be appointed as the Group's external auditor for the financial year ended 31 December 2024, subject to shareholder approval at our AGM.

In early 2023, the Committee was made aware of non-audit tax advisory services which were provided to certain entities within the Group by Deloitte, which audited one of the Group's subsidiaries. It was concluded that these services were prohibited under the FRC's Ethical Standard. EY placed reliance on the work performed by this component audit firm. As a result, a special Audit Committee meeting was held to review the independence of our external auditors and the services being provided and relied upon. The decision to change auditor to Deloitte was upheld but additional reviews of independence as a part of the onboarding process were undertaken throughout the year.

As a part of the onboarding process, the Group have undertaken the following:
— Worked with Deloitte to make sure that they are fully independent ahead of 1 January 2024.
— The Group updated its policy for "Services supplied by Audit firms", which clarifies key deliverables and responsibilities of audit firms as well as adding further internal controls to monitor services provided by audit firms.
— Testing of Deloitte's tools and technology to ensure they meet the Group's information security requirements.

Deloitte have started preliminary work to gain an understanding of the Group and have shadowed EY during their audit of the Group's 2023 Annual Report and Accounts, including attending some meetings alongside EY.

The Committee satisfied itself that the procedures of Deloitte in their capacity as auditor of Tradeweb have been conducted independently and have not impeded the effectiveness of the existing external auditor.

Report on external auditor's fees and safeguards on non-audit services
The Committee has a policy governing the engagement of the external auditor to provide non-audit services, which is reviewed on an annual basis. This policy was updated during the year to reflect Deloitte's role as incoming auditor, and the policy has been applied to both EY and Deloitte during the year.

The policy prohibits certain activities from being undertaken by the external auditor such as: accounting/bookkeeping services; internal auditing; certain tax and payroll services; executive recruitment; remuneration services; and more generally any work which could compromise their independence. The policy also places restrictions on the employment of former employees of the external auditor.

Recognising that the external auditor may be best placed to undertake certain work, the policy permits the provision of certain audit-related and non-audit services. The policy allows approval for any audit and non-audit services below £100k to be delegated to the Group Chief Financial Officer. Any such approvals are then reported to the Audit Committee at the next meeting.

The Committee fully complied with the policy in the year. It reviewed each of the appointments on their merits and considered management's assessment of:
— the threats to independence and objectivity resulting from the provision of such services;
— whether there were any conflicts of interest; and
— the quantum of non-audit fees in the context of the overall audit fee.

A breakdown of audit and non-audit service fees paid and payable to the external auditor for the year ended 31 December 2023 is provided below and in Note 4.2 to the financial statements on page 188.

Year ended 31 December	**2023 £m**	2022 £m
Services		
Audit of parent and consolidated financial statements	**7**	6
Audit of subsidiary companies	**7**	7
Non-audit services	**1**	1
Total	**15**	14

EY provided non-audit services of £0.7 million; 5% of total fees (2022: £0.6 million; 4% of total fees). This comprised of audit related assurance services of £0.4 million (2022: £0.4 million) and other non-audit services £0.3 million (2022: £0.2 million).

In each case, the Committee concluded that the appointment of EY to perform certain non-audit services would not impair their independence and represented the most effective, secure and efficient way of obtaining the necessary advice and services. The Committee was satisfied that the Group and EY have been compliant with IESBA and FRC auditor independence rules.

The Committee has complied with the relevant parts of the Competition and Markets Authority Final Order on the statutory audit market for the year ended 31 December 2023.

4. Other matters
Going concern and long-term financial viability statement
The Directors are required to assess whether it is appropriate to prepare the financial statements on a going concern basis and, in accordance with the Code, provide a statement on the Group's viability. At its meeting in February 2024, the Committee reviewed the Group's forecasts and projections, taking into account reasonably possible changes in trading performance. It confirmed that the going concern basis in preparing the financial statements continues to be appropriate. See page 159 of the Statement of Directors' responsibilities for the going concern statement. At the same meeting, the Committee also considered the Group's long-term viability with reference to the Group's current position and prospects, three-year business plan, risk appetite and the expected impact of severe but plausible downside scenarios on the business. See page 89 of the Strategic Report for the financial viability statement.

FRC Corporate Reporting Review
As part of the FRC's Corporate Reporting Review, the FRC conducted a review of the Group's 2022 Annual Report. The review was conducted independently and the scope of the review was based on and limited to the information provided in the 2022 Annual Report[1]. The Group received correspondence from the FRC in October 2023 requesting further information in relation to the alternative performance measures included in the Group's financial reporting and on climate-related financial disclosures.

1 The FRC review provides no assurance that the LSEG Annual Report 2022 was correct in all material respects. The FRC's role was not to verify the information provided, but to consider compliance with reporting requirements. Its letters are written on the basis that the FRC (which includes the FRC's officers, employees and agents) accepts no liability for reliance on them by LSEG or any third party, including but not limited to investors and shareholders.

The Group provided a response to the FRC in November 2023, responding to the questions raised and how they have been addressed in this Annual Report. The Audit Committee was informed on the response submitted to the FRC. The FRC responded in December 2023, confirming that their enquiries are now closed.

Fair, balanced and understandable (FBU) reporting

In line with principle N of the Code, the Committee satisfied itself that the Annual Report is fair, balanced and understandable and has presented its conclusions to the Board. The Committee reviewed drafts of the Annual Report and Accounts and considered the following:

— that statutory measures have been given equal prominence to the alternative performance measures used;
— that information contained in the Strategic Report represents a fair reflection of performance during the year;
— information within the Strategic Report and narrative reporting across the Annual Report is consistent with that reported in the financial statements; and
— key areas of estimate and judgement are consistently applied.

The Committee discussed with management the process undertaken to ensure that the relevant requirements of FBU reporting were met. This process included:

— independent reviews of the entire report by people not directly involved in preparing the report;
— extensive review and verification processes by the appropriate departments and senior managers to ensure the accuracy of the content; and
— consideration of the balance of disclosure between positive and negative points on the Group's performance in the year.

See page 159 of the Statement of Directors' responsibilities for the FBU statement.

Audit and Corporate Governance Reform

The Committee received a number of updates on how the Group is preparing for the UK Government's Audit and Corporate Governance Reform. While the UK Government has now withdrawn and delayed some of the proposals, the Group remains committed to enhancing its internal control environment and has continued to implement its main programmes. The Committee monitored and assessed the progress of:

— the refresh of the Financial Control Framework;
— the Group's Enterprise Risk Management Framework and Operational Resilience programmes;
— the fraud risk assessment performed in the year; and
— steps being taken to improve control training and risk-awareness.

The Committee noted that the revised UK Corporate Governance Code was issued in January 2024, effective from 2025, and that the ongoing programmes around internal controls put the Group in a good position to meet the requirements of the new Code.

Audit Committees and the External Audit: Minimum Standard

During the year, the FRC announced its Audit Committees and the External Audit: Minimum Standard. The Committee discussed and reviewed the Audit Committee responsibilities and the minimum requirements set out for an Audit Committee to perform. The Committee noted and were comfortable with the requirements set out and updated its own Terms of Reference to align with the Standard.

Sustainability and climate risk reporting

The Committee reviewed the broader landscape for sustainability and climate risk reporting and the Group's plans for ensuring it remains compliant with future changes to the reporting requirements.

During the year, the ISSB issued IFRS S1 and IFRS S2 (the "Standards") to improve disclosures about sustainability of a company. The Committee noted the implications of the new Standards, that once endorsed by the UK Endorsement Board LSEG is subject to the mandatory sustainability reporting requirements to be reported on for the first time for the financial year ended 31 December 2024, and the procedures being undertaken in advance of the reporting requirement coming into force.

Incoming regulation, notably the EU Corporate Sustainability Reporting Directive (CSRD), will introduce mandatory assurance of reported sustainability data. The Committee discussed CSRD and the findings of an independent pre-assurance readiness report commissioned by the Group covering LSEG's current processes, systems and controls over the calculation and disclosure of greenhouse gas emissions, which was used as a case study. The Committee also noted the Group's plan to address the findings of the report as a part of the broader sustainability reporting agenda.

Whistleblowing investigations

The Group's whistleblowing policy provides a method of addressing concerns while at the same time offering whistleblowers protection from victimisation, harassment or disciplinary proceedings. During the year, the Committee continued to closely monitor the effectiveness and independence of the Speak-Up and whistleblowing arrangements of the Group.

Areas of focus in 2024

— Assessing the Group's readiness to comply with climate-related disclosure requirements, including the CSRD.
— Monitoring the progress of the Financial Control Framework.
— Receiving early and continuous understanding of the impact of the Group's acquisitions and disposals on financial and tax accounting, and ensuring that the transactions are accurately represented in the Group's Annual Reports and Accounts.
— Monitoring the Group's uncertain tax positions.
— Continuing to assess the impact of developments in accounting standards.
— Monitoring the progress of the external audit transition from EY to Deloitte and ensuring Deloitte's readiness for the 2024 year-end audit.
— Receiving assurance that the internal control and risk management environment remains robust.
— Monitoring the enhanced use of data in Internal Audit work to provide broader insights and analysis.
— Monitoring the development and embedding of audit programmes of work related to specialisms such as sustainability and behavioural risks across the Internal Audit function.
— Supporting the build-out of the Internal Audit capabilities in the areas of transformation and change assurance.

Dominic Blakemore
Chair of the Audit Committee
28 February 2024

Report of the Risk Committee

The Group continues to support its key markets and deliver stable and resilient services that meet our clients' needs. The Group's risk culture, objectives, appetite, governance and operations are well established, underpinning the whole organisation.

Kathleen DeRose
Chair of the Risk Committee

For a full list of the principal risks and uncertainties facing LSEG and the steps we are taking to mitigate these – refer to pages 79 to 88.

Achievements for 2023

During the year, the Risk Committee prioritised programmes and activities identified at the end of the previous financial year with the aim of enabling the safe growth of the Group by continuing to improve the Group's risk culture and ensuring that risks stayed within the set appetite. These activities included:

— continued embedding of the Group's operational resilience programme;
— continued review and monitoring of potential impacts from macroeconomic and geopolitical events on the Group's strategy and business model;
— enhancing further the approach to sustainability-related risks and associated risk processes;
— continued focus on technology remediation and enhancement of the cyber security framework; and
— continued monitoring of the Group's risk profile, against risk appetite, across both financial and non-financial risks.

Composition and meetings

The Committee comprises five independent Non-Executive Directors. The skills and experience of each Committee member are provided in the Board of Directors section on pages 94 to 97. All Committee members have been in place for more than a year.

The Group Chair, Group Chief Executive, Group Chief Financial Officer, Group Chief Risk Officer (CRO) and Group Chief Internal Auditor, are all standing attendees at Committee meetings. A member of the Company Secretariat is the Secretary to the Committee. In addition to the standing attendees, various other members of management are invited to present specific matters relevant to the Committee's remit.

The Board is satisfied that each member of the Committee has the skills and experience necessary for the Committee to effectively discharge its responsibilities. The Chairs of the Audit and Risk Committees each sit on both committees, which ensures appropriate identification and management of issues relevant to both committees.

During 2023, the Risk Committee held four regular meetings. In the ordinary course of business, the Committee regularly reviews the Group's risk profile, risk appetite and emerging risks. The CRO also provides regular updates to the Chair throughout the year.

Purpose, responsibility and terms of reference

The Committee has non-executive responsibility for high-level risk related matters and for risk governance. The Committee reviews the risk profile of the Group, and its divisions, on a regular basis and comments on the adequacy of the processes in place to identify, manage, mitigate and report on key risks. It advises the Board on the Company's overall risk appetite, tolerance and strategy, and reviews the adequacy of the Enterprise Risk Management Framework and its application to decision-making.

The Committee sets the criteria for the accurate and timely reporting of material risks including regular reports on compliance for each regulated entity. As part of this mandate, the Committee also regularly reviews best practices for enterprise risk management.

Further details on the functions and responsibilities of the Risk Committee can be found in the Committee's terms of reference which are reviewed annually and available from the Group Company Secretary, or in the corporate governance section of the Group's website at: www.lseg.com/en/about-us/corporate-governance.

Summary of the key areas of focus

During the year, the Risk Committee focused efforts on programmes to further embed the Group Enterprise Risk Management Framework (ERMF) and further strengthen risk culture across the organisation. The Committee prioritised key activities which supported the vision of the Group Risk function, enabling the achievement of the 2023 Group strategic objectives. These included:

- enhancing the approach to sustainability-related risks and associated risk processes. The Committee also approved the Group sustainability risk framework;
- embedding the operational resilience framework; and
- creating a stronger risk culture through Group-wide risk awareness events and training sessions e.g., 2023 Risk Culture Week at the start of the year to raise risk awareness.

Activities of the Committee

The Committee established formal agendas covering all responsibilities delineated in the Committee's terms of reference. During the year, the Committee discharged these responsibilities with the following activities:

- Provided robust reviews of principal risks and of emerging risks with a focus on:
  - reviewing and recommending to the Board the Group risk appetite, including stress tests and challenging the scenario results;
  - monitoring the Group's risk profile against risk appetite as well as progress of remediation activities over the past 12 months, and monitored financial resources;
  - challenging management's assessment of the Group's risk profile, across both financial and non-financial risk, as well as management's mitigating actions;
  - reviewing and challenging scenario analyses, identification, management and mitigation of risks across the Group;
  - reviewing plans to enhance cyber security and operational resilience, and reviewing high level focus topics e.g., cyber security, cloud risk, greenwashing, US debt ceiling; and
  - reviewing risk events and emerging risk topics throughout the year; assessing the potential impacts of the ongoing global geopolitical tensions and the evolving financial landscape on the Group's strategy and business model, including:
    - Russia/Ukraine, China/Taiwan, Middle East, Sri-Lanka;
    - the banking crises – Credit Suisse, Silicon Valley Bank, US debt ceiling
- Monitoring compliance in line with the Group risk management procedures as described in the section on internal controls on page 104 which included:
  - reviewing regulatory compliance reports and the actions in place to ensure ongoing compliance;
  - reviewing the adequacy of the Group's business continuity management plans; and
  - reviewing and recommending to the Board the Group risk appetite, including stress tests and challenging the scenario results.

Risk management function

The CRO leads and oversees all aspects of risk management for the Group. He reports to the Chief Executive Officer, and also, to ensure independence, to the Chair of the Risk Committee. The Committee approves the CRO's remit and ensures that the CRO has the independence and resources necessary to perform their duty. Group management consults with the Committee on the appointment and dismissal of the CRO.

The Committee meets with the CRO without the presence of executive management at each Committee meeting.

2024 priorities

In 2024, the Committee's priorities include:

- continued monitoring of the Group's risk profile against risk appetite and oversight of risk mitigation and control enhancement activities;
- continued monitoring of potential impacts from macroeconomic and geopolitical events; and
- continued oversight of the Group's risk culture and embedding of the Enterprise Risk Management Framework.

Committee effectiveness

The Committee's effectiveness was assessed as part of the 2023 Board and Committee effectiveness review. Further details can be found in the Governance section of this report on pages 102 to 103. The result of the review was that the Committee is performing well and operating effectively.

Kathleen DeRose
Chair of the Risk Committee
28 February 2024

Directors' Remuneration Report

LSEG has transformed into a highly successful, complex, global organisation since our Remuneration Policy was last materially reviewed. In formulating our revised Policy, we have consulted with nearly 100 shareholders and are grateful for the valuable input provided.

The proposed changes will enable LSEG to secure the calibre of talent and new skill sets required for LSEG's continued transformation in a highly competitive global market and reinforce the strong performance and significant shareholder value we are delivering.

William Vereker
Chair of the Remuneration Committee

Contents

Remuneration Committee members (as at 31 December 2023)

	Meeting attendance
William Vereker[1]	6/6
Cressida Hogg	6/6
Dr. Val Rahmani	6/6
Don Robert	6/6

1 Appointed as Chair of the Remuneration Committee on 14 September 2023, taking over from Cressida Hogg.

Purpose, responsibility and terms of reference

The Remuneration Committee is appointed by the Board and comprises the Remuneration Committee Chair and three independent Non-Executive Directors. The Committee's remit includes the remuneration of the Chair of the Group, Executive Directors and senior management, as well as overseeing remuneration arrangements for all of our people.

Details of the Committee's remit and activities are set out in this Report. The Committee has written terms of reference which are available from the Group Company Secretary or the corporate governance section of our website at https://www.lseg.com/en/about-us/corporate-governance.

Areas of focus for FY2023/24

- 2023 remuneration outcomes and awards, including 2023 bonus, vesting of 2021 LTIP awards and granting of 2023 LTIP awards
- 2024 Remuneration Policy review including shareholder consultation
- Remuneration approach for 2024, including the design of 2024 bonus and 2024 long-term incentive awards
- Terms relating to Executive Committee changes, including a new CFO and other new hires, appointments, role expansions and exits
- Review of 2024 Reward Framework for wider workforce

Details of agenda items discussed at each Committee meeting are set out on page 153

Statement by the Chair of the Remuneration Committee

I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2023. This is my first report since assuming the role of Chair of the Remuneration Committee in September last year and I would like to thank my predecessor, Cressida Hogg, for her leadership of the Committee.

This year we will be asking shareholders to vote on three remuneration resolutions at our 2024 AGM:
— our Remuneration Policy (the "Policy"), which outlines the remuneration framework that will apply to our Executive Directors, Non-Executive Directors and the Group Chair should it be approved by shareholders (set out on pages 127 to 136);
— our Annual Report on Remuneration, which sets out remuneration outcomes for 2023 and explains how we intend to apply the Policy in 2024 (set out on pages 137 to 153); and
— our new long-term incentive plan rules (the Equity Incentive Plan or EIP), which will replace the existing Long Term Incentive Plan 2014 which expires this year (further information is provided in the Notice of AGM).

This statement on pages 118 to 123 provides context for the decisions made by the Committee in the year, summarising in particular the proposed changes to our Remuneration Policy and the background and rationale for the adjustments. A "Remuneration at a glance" section is included after this statement on pages 124 to 126 which summarises broader employee reward at LSEG, 2023 remuneration outcomes for Executive Directors, and the proposed operation of incentive plans in 2024.

2024 Remuneration Policy review

As we signalled in our Directors' Remuneration Report last year, the Committee has conducted a comprehensive review of the existing Policy to ensure that it remains fit for purpose so we retain and attract the global talent that has delivered the business transformation and shareholder value creation to date and who will continue to capture significant opportunities in the future.

We are proposing to update the Policy for Executive Directors to reflect that:
— LSEG has transformed and is now a leading global financial markets infrastructure and data provider, which is larger, more diversified and more complex than at the time of the last material Policy review;
— the market for our senior leadership team is now a set of global companies in similar geographic and business segments as LSEG, where pay levels are often significantly higher (further information on our global sector peers and the selection approach is set out on pages 118 to 119);
— significant pay compression is now observed within LSEG as a result of our need to compete for talent with the largest global players in the financial markets infrastructure and data provision sector; and
— we need to ensure that the LSEG pay structures, measures and targets reinforce continuation of the strong performance delivered by our exceptional management team in recent years.

As part of the review we consulted extensively with nearly 100 shareholders, representing approximately 80% of LSEG's voting rights, and proxy agencies. I would like to thank everyone we engaged with for their valuable input during this process, which has informed the detail of our revised Policy. Overall, the majority of shareholders were supportive of our proposals and recognised the rationale of our thinking in light of the transformation and high performance of the business, both in absolute and relative terms, under our CEO's leadership, and the need for LSEG to compete in a global talent market.

A summary of the context against which the Committee has reviewed the Policy, our rationale for adjusting it and detail of the proposed changes is set out below.

Business transformation

Over the last five years, LSEG has transformed in terms of global breadth, scope, scale and performance. The business has grown from a European regional exchange group into a diversified, global provider of financial markets infrastructure and data services. LSEG is systemically important in the major geographies of the world, with a trusted reputation and strong culture and is making significant strategic moves which have most notably included the acquisition of Refinitiv and our partnership with Microsoft.

At the heart of LSEG's transformation has been our executive team, led by our CEO, David Schwimmer. The ambitious strategy developed and executed by our executive team has changed and strengthened the Group, positioning it to grow and succeed, while creating significant sustainable long-term shareholder value. Over the course of this transformation and David's tenure (since 1 August 2018), we have:
— generated total shareholder return of 124% and created £19 billion in shareholder value (31 July 2018 – 31 December 2023);
— increased Adjusted EPS by 118% from 148.7 pence to 323.9 pence (31 December 2017 – 31 December 2023);
— increased our Dividend Per Share 123% from 52 pence to 115 pence (31 December 2017 – 31 December 2023);
— de-levered our Refinitiv acquisition debt; and
— more than doubled our share price from £43.57 to £92.74 (1 August 2018 – 31 December 2023).

LSEG is now a heavily tech-oriented organisation with over 25,000 employees operating across over 60 countries, competing for senior leadership talent at a global level. We are also experiencing frequent approaches for our talent from global companies, particularly from technology and financial services organisations, where pay levels are materially higher. This is evident even for our functional leadership roles with the departure of our highly regarded CFO, Anna Manz, to join a global Swiss-based company and COO, David Shalders, who will join a private equity backed financial services company at the end of this year.

Our global sector peers

With LSEG's continued transformation, there is a significant step-change in our talent requirements and a need to increase the focus on how LSEG's business performance and remuneration compares to appropriate sector peers. The Committee therefore undertook a comprehensive selection process to identify those companies who represent the most appropriate peer group for LSEG. Whilst LSEG's complex end-to-end trade lifecycle offering does not have an exact comparator in the market, this selected peer set (shown in the chart on page 119) reflects LSEG's diverse operations, complexity, size and global footprint. They represent a comparable group of companies against whom we both measure our performance (and which will comprise a TSR benchmark for long-term incentive awards going forward) and compete for senior level talent and expertise.

LSEG's global sector peer group (summarised in the table on page 119) consists of organisations of comparable scale and complexity from sectors in which LSEG operates, and includes:
— Financial Markets Infrastructure companies with whom we compete and, together with LSEG, constitute the global regulated markets that facilitate capital raising, trading and clearing/settlement across a range of asset classes; plus
— global competitors in the provision of data and analytics solutions across financial asset classes that support decision-making across trading, compliance and risk management in financial markets; plus
— leading multinational B2B providers of comparable scale to LSEG, that provide data and analytics solutions that identify opportunities and manage the risks of doing business.

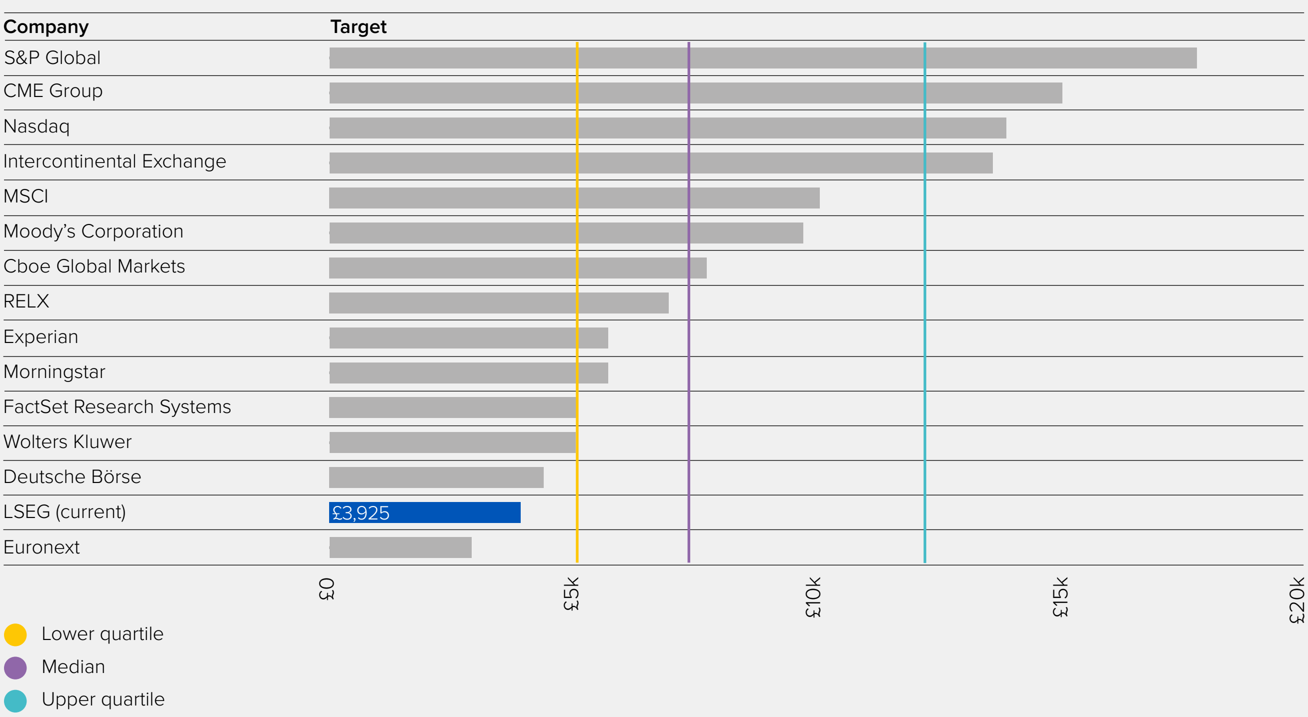
Following extensive analysis, an exclusive group of relevant peers was selected from a longer list of firms initially considered.

Global sector peers

Company	Size and complexity				Primary sector	
	No. countries (major operations)	Market Cap £bn	Revenue £bn	Employees	Financial markets infrastructure	Data and analytics
S&P Global						●
RELX						●
LSEG	>60	50.2[1]	7.7	25,000	●	●
Intercontinental Exchange					●	
Experian						●
Nasdaq					●	
Wolters Kluwer						●
Deutsche Börse					●	
Moody’s Corporation						●
CME Group					●	
Cboe Global Markets					●	
MSCI						●
FactSet Research Systems						●
Morningstar						●
Euronext					●	

Note: based on latest reported year. Bar length is relative to the largest value in each category.
1 As of 31 Dec 2023.

CEO target total remuneration £’000



Source: WTW

Other companies that were initially considered but not ultimately selected due to a sector and/or scale mismatch include Coinbase, Equifax, Fidelity National Information Services, IG Group, MarketAxess, State Street, Thomson Reuters, TMX Group, TP ICAP and Verisk.

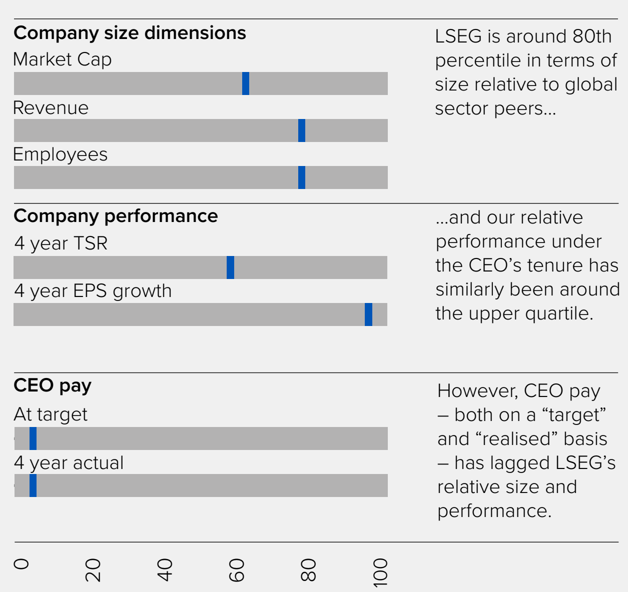
Statement by the Chair of the Remuneration Committee continued

Remuneration and performance context

Market pay and performance benchmarking demonstrates that our CEO's pay is significantly below the lower quartile of our sector peers (shown above) despite LSEG achieving median to upper quartile TSR and EPS performance. This pay-and-performance mismatch has persisted over time: over the past four years, David's cumulative pay ranked at the 7th percentile of sector peers, against an EPS performance in the 93rd percentile when compared with the same peer set (see chart below).

Further, David was the architect of the transformational Refinitiv deal, driving the acquisition and successful integration. In addition to the strategic benefits with the increased and successful focus on data and analytics, the management team has out-delivered on synergies. The Group has also continued to grow both organically and through several other acquisitions, as well as the strategic partnership with Microsoft, which greatly accelerates our growth and transformation plans.

LSEG percentile rank vs global sector peers



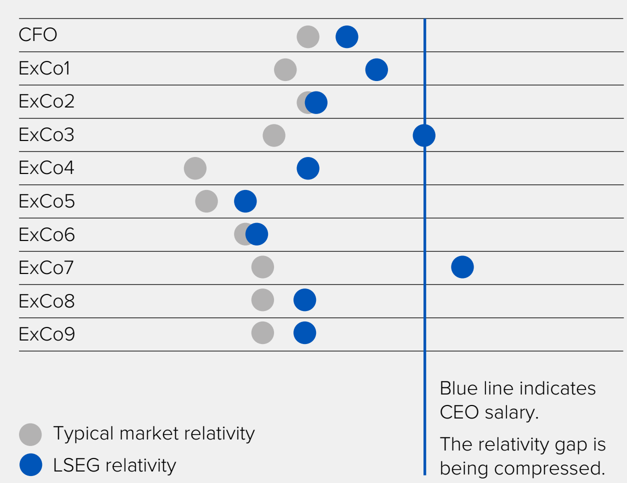
Notes
Company size dimensions: market cap based on spot values for all companies on 31 December 2023; revenue and employees based on FY22 figures to allow a like-for-like comparison.
Company performance: 4-year TSR and EPS performance cover the period ending FY2022, aligning with David Schwimmer's appointment as CEO on 1 August 2018.
CEO pay: 4-year actual pay based on FY2019-FY2022 data as disclosed in the summary compensation table (for US peers) and single figure table (or equivalent, for UK/European peers).

The disconnects between (a) our pay and performance, (b) our pay and market position, and (c) our pay and calibre of talent, create a substantial risk around talent attraction and retention at LSEG.

With David now entering his sixth year as CEO, the Committee believes it is important to retain David who will continue to play a critical role in leading LSEG through the next phase of transformational growth.

The increasingly competitive global landscape for senior leadership talent, particularly those individuals with technology and data backgrounds, has resulted in upwards pressure on pay. We are experiencing pay compression between our CEO and other recent senior hires over the last 12 months, both in absolute terms and compared to typical market relativities, as shown below. In order to attract the capabilities needed in new senior talent from leading global companies, we have had to offer enhanced pay arrangements with a significant uplift in quantum when compared to previous pay practices and FTSE benchmarks. We have also observed pay disparities when recruiting US-based talent with many candidates having existing pay levels that are higher than our CEO's. A particular example of our pay disparities with market is that our CEO is paid less than the CEO of our US subsidiary, Tradeweb, which has approximately one-third of the market capitalisation of LSEG.

ExCo fixed pay relative to CEO



With respect to meeting their shared obligations for succession planning, the Board and the Committee believe that any credible CEO candidate in the future would have to be sourced from the global talent market, where the current Policy would be unable to compete in terms of expected remuneration packages.

Remuneration Policy proposals

Against this backdrop, the Committee is proposing to update the Policy to align it with our transformed business and address our talent attraction and retention risks. We believe the Policy must be revised to be globally competitive to attract and retain the calibre of talent required to continue LSEG's transformation and deliver our strategic ambition. For that reason, the proposed Policy resets Executive Director remuneration to align more closely with the median of our global sector peer pay (but based on consideration of the remuneration components of salary, annual bonus and long-term incentives, in line with the practice of UK listed companies). The proposed changes to the Policy and its implementation for Executive Directors for 2024 are presented in the table opposite:

Policy element	Proposal
Salary	— Increase CEO salary from £1m to £1.375m as part of aligning overall pay more closely with the global sector peer median, while adhering to UK governance norms around bonus deferral and maximum long-term incentive opportunities. — New CFO salary set at £850k to enable recruitment of top calibre talent.
Annual bonus	— Increase maximum opportunity from 225% to 300% of salary for the CEO. CFO opportunity to remain unchanged at 200% of salary. — Reduce deferral from 50% to 40% to align with recent change applicable below Board level and to align total target in-year cash to circa the median of global sector peers, who do not typically operate bonus deferral. — Re-weight Executive Director bonuses to comprise i) 75% financials (currently 60%) inclusive of the introduction of an additional measure "Future Growth" (weighted 15%) focussing on achievement of future revenue targets ii) 15% Group Strategic Objectives (GSOs), and iii) 10% personal objectives.
Long-term incentives	— Increase long-term incentive opportunity from 300% to 550% of salary for CEO, and to 400% of salary for CFO. — Retain EPS and Relative TSR as vesting measures, weighted 60% and 40% respectively (as per current). — TSR metric to be split 50/50 on performance vs FTSE100 (as current) and vs global sector peers (a new, second benchmark, based on the companies shown on page 119). — Introduce payment of dividend equivalents on future share awards, aligning to market norms. — Update "leaver" provisions: ensure sufficient discretion for RemCo to apply "good leaver" status in the event of retirement from professional career or to work in a governmental capacity or for a non-profit organisation, and with agreement from the Company/Remuneration Committee.
Minimum shareholding requirements	— Increase minimum shareholding requirement from 400% to 600% of salary for CEO, and from 300% to 400% of salary for CFO, i.e. to be at least equal to the annual long-term incentive opportunity.

The revised Policy will strengthen the link between pay, performance and value creation for shareholders through the material increases to long-term performance-based pay, combined with an increase to the minimum shareholding requirements. It is important to highlight that the full impacts of the Policy proposals will not be realised until 2029 when the 2024 long-term incentive award is released from the post-vesting holding period. Reflecting shareholder feedback received, we have made the performance targets for incentive awards even more stretching.

The Committee is considering the CEO remuneration package in the very specific circumstances of David Schwimmer, taking into account his outstanding past performance and strategic direction.

We believe the proposals are necessary to ensure the remuneration of David and the incoming CFO are strongly aligned with the delivery of LSEG's ambitious medium to long-term strategy, as well as giving the Committee the ability to recruit the calibre of talent required to continue LSEG's transformation as needed.

Performance in the year

In 2023, LSEG delivered another year of strong financial performance, with continued revenue growth across our business divisions despite an uncertain macroeconomic environment. We continue to transform our business and deliver on our strategy to be the leading global financial markets infrastructure and data provider.

Highlights:

— Delivered 8.3% income growth on a constant currency basis. Growth was 7.7% excluding the Acadia acquisition, towards the upper end of the 6%-8% guidance range.
— Adjusted EBITDA grew 8.6%, slightly ahead of the growth in total income. Excluding FX-related balance sheet items, EBITDA margin of 47.7%.
— Exceeded our £400 million runrate cost synergy target 2 years ahead of schedule and continued to deliver strongly on our revenue synergy programme with £158m runrate synergies delivered to date.
— Delivered the successful integration and acceleration of Refinitiv: 2021-2023 total income (excl. recoveries) CAGR of 6.5% is at the upper end of acquisition targets.
— Our medium-term guidance further raises growth aspirations: targeting mid-to-high single digit medium term organic growth, accelerating after 2024.
— Making targeted acquisitions: Acadia reinforces our leading position in Post Trade Solutions; acquired full control of LCH SA; increased ownership of LCH Group.
— Good progress on Microsoft partnership: first products expected in H1 2024, many embedding AI technologies and revolutionising industry workflows.
— Significant shareholder returns: final dividend of 79.3 pence, taking full year payout to 115 pence; £1.2 billion returned via buybacks in 2023.

2023 bonus outcomes for Executive Directors

Executive Directors were eligible to receive an annual bonus based on meeting or exceeding bonus targets that were set at the beginning of the year, looking at the Group's financial performance, strategic objectives and their personal contribution.

The Committee received input from the Risk Committee with regard to performance related to risk culture (awareness, transparency and accountability) when assessing remuneration decisions.

For FY2023, we exceeded our Group adjusted operating profit (AOP) financial target and have outperformed against our strategic objectives. In determining the overall outcome of the strategic objectives for the FY2023 Group bonus pool, the Committee took into account certain factors relating to risk, including compliance risk and resilience, which meant that despite the otherwise strong strategic performance achieved against the objectives, the Committee determined that, on balance, the overall outcome of this component should be 28%. This outturn is lower than the previous year's outturn of 31%.

As a result of the Group's strong performance and the personal contribution of the Executive Directors, the Committee determined that the CEO will be awarded a bonus of 70% of his maximum opportunity. Anna Manz resigned as CFO on 25 May 2023 and is therefore not eligible to receive a bonus for the 2023 performance year.

Further details on FY2023 performance can be found in the Financial Review on pages 44 to 57.

Share plan rules and approvals

The LSEG Long Term Incentive Plan 2014 (or LTIP) approved by shareholders in 2014 will expire this year. As a result, we will be seeking shareholder approval for a new long-term incentive plan, the Equity Incentive Plan (or EIP), at our forthcoming AGM. Further information is provided in the Notice of AGM.

Statement by the Chair of the Remuneration Committee continued

2021 LTIP award outcomes

The AEPS element of the LTIP awards made in 2021 will vest at 100% and the Relative TSR element will vest at 0%. These vesting outcomes reflect the delivery of AEPS growth of 18.3% CAGR and 8.1% TSR performance over the three-year performance period, the latter representing 43rd percentile performance relative to the FTSE 100 peer group. The TSR position partly reflects the significant growth in the share price in the years leading up to the start of the 2021 LTIP performance period during which LSEG was consistently upper quartile.

Discretion in relation to incentive outcomes

The incentive outcomes above are reflective of overall Group financial and strategic performance, and the Committee determined that no discretion should be exercised to adjust the formulaic outcomes.

The Committee reviewed LSEG's share price performance in determining the extent to which the 2021 LTIP award should vest and concluded that no windfall gains had occurred.

Operation of 2024 bonus

The FY2024 Group bonus pool will be determined based on Group performance measures weighted 75% on financial measures (60% AOP, 15% Future Growth) and 25% on strategic objectives.

The Executive Directors' awards are funded from the Group bonus pool. Bonus awards for the Executive Directors will be determined in accordance with performance measures weighted: 60% against Group AOP; 15% against Future Growth; 15% against Group Strategic Objectives; and 10% against personal objectives.

Annual bonuses for FY2024 will be awarded in line with our revised Policy, subject to shareholder approval. Under the revised Policy, 60% of any FY2024 bonus payment for Executive Directors would be paid in March 2025. The remaining 40% would be deferred into shares for a period of three years.

Long-term incentive awards to be made in 2024

Long-term incentive awards will be granted in 2024 in line with our revised Policy and under the Equity Incentive Plan, in each case subject to shareholder approval.

The Committee has given careful attention to the AEPS element of the 2024 grant (with a 60% weighting) and, considering internal and external forecasts, has set the AEPS targets at 7% to 12.5% CAGR. This means that both the threshold and maximum end of the ranges are higher than the targets set for the 2023 grant. To achieve maximum vesting, an incremental £1.1bn AOP would be required in 2026, equivalent to incremental income in the region of £2.05bn, relative to 2023. We expect that this AEPS range will be one of the highest, if not the highest, in the FTSE 30 and continues to demonstrate LSEG's commitment to setting class-leading, stretching targets. Furthermore, the higher AEPS baseline makes AEPS CAGR growth increasingly challenging to achieve for LSEG.

For the Relative TSR element (40% weighting), performance will be assessed against our global sector peer group (the same sector peers we used to benchmark remuneration) and the FTSE 100, each weighted 50:50. The performance range will be median to upper quartile for both peer groups.

The stretching nature of these performance targets set by the Committee is noted also in the context of historical grant outcomes; specifically the most recent 2020 and 2021 awards which have not vested at maximum despite the Group's strong performance in the period.

Actual award outcomes for CEO

Period ended	Annual bonus payout against maximum opportunity %	Long-term incentive vesting rates against maximum opportunity %
31 December 2023	70%	60%
31 December 2022	64%	82%
31 December 2021	72%	100%

The above chart sets out the actual bonus and LTIP outcomes of the CEO over the last three years. This signifies the stretching nature of the targets set during a period of exceptional growth for LSEG and significant returns to shareholders.

Executive Director changes

Departure terms for Anna Manz

Anna Manz resigned as CFO on 25 May 2023. Following publication of the Group's 2023 Full Year Annual Results on 29 February 2024, she will step down from the Board and leave the Group. Her unvested incentive awards will be treated in line with the Policy in effect at the time of her resignation. Following her resignation, she was not eligible to receive a bonus for 2023 or a long-term incentive award for 2024 and her outstanding LTIP awards lapsed. Anna continued to receive her contractual salary, pension allowance and benefits until her termination date. Full details are provided on page 146.

Appointment terms for Michel-Alain Proch

As announced on 20 November 2023, Michel-Alain Proch joined LSEG on 26 February 2024 and will be appointed to the Board as CFO on 1 March 2024. Prior to joining LSEG, Michel-Alain was the Group Chief Financial Officer for Publicis Groupe SA and a member of their Management Board.

Michel-Alain will receive a salary of £850,000 and a pension cash allowance of 10% of salary (aligned with the wider workforce), along with other benefits offered to the wider workforce in the UK. He will also be eligible to participate in the Annual Bonus and Equity Incentive Plan under the Policy in place for 2024 (subject to shareholder approval at the AGM). If the proposed Policy is approved, this includes an annual bonus opportunity with a maximum of 200% salary and a maximum long-term incentive grant of 400% of salary. Michel-Alain forfeited various incentive awards which were inflight at the time of his leaving Publicis Groupe SA; LSEG has agreed to compensate for the forfeited amounts partly through an enhancement to Michel-Alain's FY2024 bonus opportunity. The combined regular FY2024 bonus (based on a pro-rated opportunity for the time served over FY2024) plus the compensatory amount will mean that his overall maximum FY2024 bonus opportunity will be equal to 200% of his full-time salary. Michel-Alain will also be granted awards to compensate for other remuneration forfeited at Publicis Groupe SA. Full details are provided on pages 146.

Given Michel-Alain is relocating from Paris to London to take on the CFO role, LSEG will be providing immigration, relocation and tax/filing support in accordance with LSEG's usual practices and approved Policy.

Summary of key executive remuneration decisions for FY2023 and FY2024

Role		Chief Executive Officer	Chief Financial Officer (to 29 February 2024)[1]	Chief Financial Officer (from 1 March 2024)[2]
Name		David Schwimmer	Anna Manz	Michel-Alain Proch
FY2023				
Previous salary (with effect from 1 January 2023)		£1,000,000	£750,000	N/A
Bonus for financial year ending 31 December 2023	% of salary	158% of salary	0% of salary[3]	N/A
	% of maximum	70%	0%	N/A
	£ total amount	£1,581,975	£0	N/A
	Of which 50% is deferred[4]	£790,988	N/A	N/A
Max. annual bonus opportunity (% of salary) for financial year ending 31 December 2023		225%	200%	N/A
2021 LTIP award outcomes (% of maximum)		60%	N/A[5]	N/A
FY2024				
Annual salary (with effect from 1 January 2024)[2]		£1,375,000	£750,000	£850,000
Max. annual bonus opportunity (% of salary) for financial year ending 31 December 2024		300%	N/A	200%
2024 long-term incentive award grants (subject to performance)		550% of salary	0% of salary[3]	400% of salary

1 Anna Manz stepped down from the Board and left the Group on 29 February 2024.
2 Michel-Alain Proch joined LSEG on 26 February 2024 and was appointed to the Board as CFO on 1 March 2024. His annual salary was effective from his start date of 26 February 2024.
3 No FY2023 bonus or 2024 long-term incentive award will be awarded to Anna Manz, who has left the Group.
4 Executive Directors must compulsorily defer 50% of bonus into shares for a period of three years under the existing Policy.
5 Anna Manz's outstanding 2021, 2022 and 2023 LTIP awards lapsed following her resignation.

Committee effectiveness

The Committee's effectiveness was assessed as part of the 2023 Board and Committee effectiveness review. The result of the review was that the Committee is performing well and operating effectively. Further details can be found in the Governance section of this report on pages 102 to 103.

Concluding remarks

The intent of this statement and the wider Directors' Remuneration Report is to explain the Group's approach to remuneration, which takes into account best practice and market trends while continuing to support the commercial needs of the Group, the interests of shareholders and of all other stakeholders. The 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.

Finally, I would like to reiterate my thanks to Cressida Hogg for the significant contribution she has made during her tenure as Chair of the Remuneration Committee and for supporting me with the transition process. I would also like to thank my fellow Committee members and all internal and external stakeholders for their valuable input over the course of the year. We look forward to your support of our proposals at the forthcoming AGM.

William Vereker
Chair of the Remuneration Committee
28 February 2024

This report has been prepared in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), and the relevant sections of the Listing Rules.

Remuneration at a glance

Broader employee reward at LSEG

The Committee has responsibility for overseeing arrangements for all of our people and reviews broader workforce policies and practices in order to support decisions on executive pay. Our single aligned global reward framework was developed to create a transparent, performance-driven approach for our Group. This framework helps to unify and drive our organisation forward and is based on the following principles: (i) Performance-led; (ii) Competitive; (iii) Transparent and Equitable; and (iv) Inclusive and Consistent.

Salary

How we reward our colleagues

Salaries are normally reviewed annually by taking into account a range of factors and are reflective of individual roles, job-related knowledge, skills, commensurate experience, and the wider market.

In 2024, 91% of employees will receive a salary increase. As inflation and cost of living pressures remain high in some of LSEG's key locations, we continue with the principle of allocating proportionately more of our 2024 salary budget to those most impacted, specifically prioritising those in early career stages in the UK, US and countries with the highest inflation.

For senior career stages, the approach for our 2024 annual salary review is consistent with that taken in the 2023 review cycle. For the UK and US, increases are focused on those with expanded roles and those whose pay is low versus internal peers and/or the external market.

Executive Director alignment

The review of Executive Director salaries takes into account the same factors considered for the wider workforce.

Benefits

How we reward our colleagues

A market-aligned benefits plan is offered in each key country in which we operate. For the UK, a flexible benefits plan is offered, in which individuals have certain core benefits (such as private medical, life assurance and income protection) together with a cash allowance which can be spent on elective benefits (such as additional medical, life or dental cover).

Colleagues receive an annual pension allowance, invested in the Company's defined contribution plan or provided as a cash allowance.

Executive Director alignment

Executive Directors are eligible for a range of market-aligned benefits and receive a pension allowance in line with the wider workforce.

Bonus

How we reward our colleagues

80% of colleagues participate in LSEG's annual performance-related bonus based on Group, divisional (where applicable) and personal performance against goals. Remaining colleagues participate in other performance-based plans such as sales incentives.

Annual bonuses for Group leaders are subject to 40% deferral into shares, vesting in equal tranches over three years.

Executive Director alignment

The annual bonus plan for the broader employee population considers the same performance conditions as the Executive Directors' bonus plan and is linked to both Group performance and individual performance.

Annual bonuses for Executive Directors are subject to 40% deferral into shares for a period of three years.

Share incentive plans

How we reward our colleagues

Performance share awards (subject to stretching performance targets over three years) are granted to senior leaders who have the ability to significantly influence the long-term performance of the Group.

Group Directors are eligible for restricted share awards aligned with long-term Group performance and shareholder interests; vesting in equal tranches over three years.

Executive Director alignment

Executive Directors are eligible for long-term incentive awards (subject to stretching performance targets over three years). An additional two-year post-vesting holding period applies to Executive Directors.

LSEG employee share plans

How we reward our colleagues

Our all-employee share plans offer employees around the globe the opportunity to invest and share in the Group's future success. All permanent UK and Sri Lanka employees are eligible to participate in the Sharesave Plan (or, in the case of Sri Lankan employees, an equivalent international plan). There is also a SharePurchase Plan, which is designed to provide share options to people who are not based in the UK or Sri Lanka.

In 2023, we have reinforced the benefits of share ownership throughout the organisation by enhancing the value of our all-employee plans (doubling the SharePurchase benefit and increasing the contribution cap on the Sharesave plan), ensuring an opportunity increase for all.

Following rollout of the upgraded plans, participation has increased by 19.6% with over 7,600 employees across 31 countries enrolled in our all-employee plans. LSEG now has more employees participating in all-employee share plans than total employee numbers prior to the transaction with Refinitiv.

Executive Director alignment

Executive Directors are eligible to participate in LSEG's all-employee share plans on the same terms as all other eligible employees.

2023 remuneration outcomes

FY2023 Bonus Outcomes
David Schwimmer, Chief Executive Officer

Performance measure	Threshold	Target	Maximum	Weighting	Outcome achieved
Group AOP	£2,740m	£2,880m	£3,210m	60%	38%
	Actual: £2,934m[1]				
Strategic Objectives	5%	10%	20%	20%	14%
	Actual: 14%				
Personal Objectives				20%	18%
	Actual: 18%				
	Details of performance are set out on page 141.				
Total				100%	70%

1 AOP excludes amortisation of purchased intangibles and non-underlying items, and is measured using budget foreign exchange rates and is on a pro-forma basis.

Anna Manz resigned as CFO on 25 May 2023 and is therefore not eligible to receive a bonus for the 2023 performance year.

2021 LTIP Award Outcomes

Performance measure	Threshold	Maximum	Weighting	Outcome achieved
Average adjusted EPS growth	8%	18%	60%	60%
	Actual: 18.3%			
Relative TSR growth	Median ranking	Upper quartile ranking	40%	0%
	Actual: 43rd percentile			
Total			100%	60%

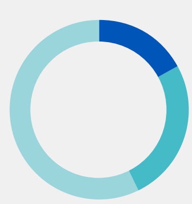
Anna Manz's outstanding 2021 LTIP award lapsed following her resignation.

Elements of remuneration

Fixed vs performance pay based under the 2024 Policy*

The proposed revisions to the Policy address our desire to reinforce a pay-for-performance philosophy as the majority of the quantum reset is performance-based. Variable pay will make up 83% of the overall pay mix for the CEO, and 77% for the CFO; and will be earned only for delivering against stretching targets.

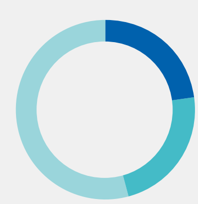
Chief Executive Officer



Fixed 17%
- Salary

Performance-based 83%
- Annual Bonus 26%
- LTIP 57%

Chief Financial Officer



Fixed 23%
- Salary

Performance-based 77%
- Annual Bonus 23%
- LTIP 54%

* Pay mix based on target bonus and Fair Market Value of maximum long-term incentive opportunity (60% of maximum).

Remuneration at a glance continued

Operation of 2024 incentive plans and alignment to strategy

The performance measures used in our incentives are directly aligned to the Group's KPIs and strategic priorities.

FY2024 Group Bonus Pool

Reflecting shareholder feedback received during the Policy review, the 2024 design includes increasing the weighting of financial measures within the bonus pool from 60% to 75%, incorporating both AOP and Future Growth measures. AOP is a key profitability measure for the Group and continues to be the main financial measure for annual bonus plan purposes. The additional measure "Future Growth" focuses on achievement of future revenue targets. The Group Strategic Objectives focus on the delivery of key strategic objectives, measured through achievement of stretching targets against externally reported KPIs.

Adjusted operating profit	Future growth	Group strategic objectives
60%	15%	25%

Financial
75%

KPIs – illustrative
- ASV Growth and Net Sales plus
- Board approved multi-year strategic business case delivery and contribution to future business growth

5 strategic categories:
- Resilience
- Culture
- Customer
- Efficiency
- Sustainability

The Committee to retain flexibility to determine weightings.

GSOs drive our multi-year growth and transformation journey to deliver on our ambitions and execute our strategy.

Executive Director individual bonus allocation

Executive Director bonuses will be funded from the above Group Bonus pool, assessed according to the following measures.

Financial	Financial	GSOs	Personal
60% AOP performance	15% future growth	15%	10%

2024 long-term incentive awards

The AEPS and TSR measures used for the long-term incentive awards are well aligned to our strategy of driving growth and delivering shareholder value over the longer term and ensure a balance of absolute and relative measures. We propose to incorporate a second relative TSR metric assessed against a global sector peer set (shown on page 119) that is directly relevant to LSEG's business.

Average adjusted EPS growth	Relative TSR vs global sector peers	Relative TSR vs FTSE 100
60%	20%	20%

Remuneration Policy Report

Our Remuneration Policy was last subject to a binding shareholder vote at the 2023 AGM and was passed with 97.5% support. This section sets out our revised Policy which will be subject to shareholder approval at the AGM in April 2024, and if approved, will apply for a period of up to three years.

Remuneration Policy table

The revised Policy is set out in the table on pages 129 to 131 and includes the following changes to our existing Policy. The rationale for the proposed changes is provided in the Statement by the Chair of the Remuneration Committee, set out on pages 118 to 123.

Policy element	Revision
Annual bonus	— Increase maximum opportunity from 225% to 300% of salary for the CEO. CFO opportunity to remain unchanged at 200% of salary. — Reduce deferral from 50% to 40% to align with recent change applicable below Board level and to align total target in-year cash to around the median of global sector peers, who do not typically operate bonus deferral. — Re-weight Executive Director bonuses to comprise at least 70% financials (currently at least 50% under existing Policy and 60% in practice for FY2023).
Long-term incentives	— Increase long-term incentive opportunity (granted under the EIP) from 300% to 550% of salary for CEO, and to 400% for CFO. — Leaver provisions updated to provide sufficient discretion for RemCo to apply 'good leaver' status in the event of retirement from professional career or to work in a governmental capacity or for a non-profit organisation, and with agreement from the Company/ Remuneration Committee.
Shareholding requirements	— Increase shareholding requirement from 400% to 600% of salary for CEO, and from 300% to 400% of salary for CFO, i.e. to be at least equal to the annual long-term incentive opportunity.

The Remuneration Policy is designed to support the long-term interests of the Group. The Group is committed to paying for performance, rewarding the senior management team only when performance against stretching targets is achieved. Each year the remuneration framework and the packages of the Executive Directors and members of the Executive Committee are reviewed by the Committee to ensure that they continue to achieve this objective.

The Committee takes into account multiple reference points when setting pay including our global sector peer set for Executive Directors and Executive Committee members where available; and with FTSE 30 practices guiding the structure of pay. When this data is not readily available, other reference points such as the FTSE 100 and the broader Financial Services/international exchange groups and financial markets infrastructure sectors are considered.

The Committee takes the following areas into account when reviewing the policy:
— a focus on shareholder value;
— the size, scope and complexity of the Group;
— the performance of the Group and market positioning against appropriate comparators, including sector peers and companies in the FTSE 30;
— the need to attract and retain senior management from the global market in which we compete for talent;
— corporate governance developments;
— remuneration arrangements for the wider workforce;
— the Group's intent to be mindful of best practice as expressed by institutional shareholders and their representative bodies; and
— the unique position of the Group at the centre of global financial markets.

Remuneration Policy Report continued

The principles prescribed by the UK Corporate Governance Code are taken into account by the Committee in determining the Remuneration Policy. Details of how these are addressed are provided below.

Principle	How the Committee has addressed the principles
Clarity	— The Committee is satisfied that the remuneration arrangements in the policy are transparent, comprising elements that are commonplace in the market and best practice remuneration provisions. — The Committee is committed to transparent and constructive engagement with all its stakeholders and consults with major shareholders and investor bodies to ensure the rationale for any significant changes proposed to the operation of the policy is fully understood and provide the opportunity for feedback to inform our decision-making process.
Simplicity	— The operation of the Annual Bonus and the design of plans like the EIP is well understood by stakeholders and aligned to Group strategy and the UK market best practice approach.
Risk	— The Committee is satisfied that the policy ensures that the risks from excessive rewards and target-based incentive plans are mitigated by: — Setting defined limits on the maximum awards which can be earned — Ensuring stretching yet achievable targets are set for incentive plans — Requiring the deferral of a substantial proportion of the incentives into shares for a material period of time — Aligning the performance conditions of incentives with the strategy and business model of the Group — Ensuring the Committee has overriding discretion to depart from formulaic outcomes and the ability to apply malus and clawback to incentives where appropriate — The Remuneration Committee also receives input from the Risk Committee with regard to performance related to risk culture (awareness, transparency and accountability) when assessing remuneration decisions.
Predictability	— Illustrations of the potential outcomes under the Policy are provided on page 136. Defined limits on the maximum awards which can be earned are also disclosed on pages 130 and 131. Vesting levels are driven by performance outcomes against stretching targets that are set for incentive plans.
Proportionality	— In line with our pay for performance model, the majority of Executive Director pay is performance-based. The performance metrics used in our incentive plans support the delivery of the Group's strategy, as well as short-term and long-term financial targets. — Relevant market peers are used to assess business performance and inform reward. — A robust target-setting process is carried out each year, taking into account internal and external forecasts and reference points, to ensure stretching yet achievable targets are set for incentive plans. — The Committee also has overriding discretion to adjust incentive outcomes based on a broad set of factors to ensure they fairly and accurately reflect the Group's performance over the relevant period and wider circumstances.
Alignment to culture	— The Group bonus pool assessment will continue to be based on the achievement of financial and strategic goals of the Group, including cultural and ESG objectives. — The Committee places great importance on ensuring our pay policies and incentives support the desired culture and behaviours of the Group. Personal performance is assessed against contribution to the strategic objectives, including cultural objectives, and against role-related goals and expected behaviours, taking into account both what has been achieved and how the individuals achieved their targets. — All awards are discretionary and contingent on the requisite standards of personal behaviours; poor behaviour/risk management could result in a zero payout.

The Committee recognises and manages any conflict of interest when receiving views from Executive Directors or senior management on executive remuneration and no individual is involved in deciding their own remuneration.

Policy table for Executive Directors

Salary	Benefits
Purpose and link to strategy Provides a core element of remuneration which reflects the responsibilities of the role. Enables the recruitment and retention of individuals of the calibre required to execute the Group's strategy.	**Purpose and link to strategy** Provides local market-competitive benefits and support the wellbeing of employees.
Operation Base salaries are normally reviewed annually by taking into account a range of factors, including: — size and scope of the role; — size, complexity and global breadth of the organisation; — skills and experience of the individual; — market competitiveness/relative positioning; — performance of the Group and of the individual; — wider market and economic conditions; and — level of increases being made across the Group.	**Operation** A market-aligned benefits plan is offered in each key country in which we operate. For the UK, a flexible benefits plan is offered, in which individuals have certain core benefits (such as private medical, life assurance and income protection) together with a taxable cash allowance which can be spent on elective benefits (such as additional medical, life or dental cover). Car transportation may also be provided for Executive Directors where appropriate. Due to the high profile of the Group, the Committee reserves the right to provide our executives with the appropriate level of security arrangements to allow them to perform their duties in the safest possible conditions. Benefits are reviewed periodically to ensure they remain affordable and competitive. The Committee retains the discretion to provide additional benefits as appropriate – for example, relocation and other allowances including expatriate assistance, housing and school fees for a finite period, tax preparation and filing assistance and return flights back to the home country for the executive and their family. Repatriation costs are met by the Company if employment is terminated by the Company, other than for just cause. Where necessary any benefits may be grossed up for taxes. Executives are eligible to participate in the Group's HMRC tax favoured Sharesave Plan (or international equivalent) on the same basis as other employees. Executive Directors are covered by the Directors' and Officers' insurance and indemnification.
Maximum Opportunity There is no defined maximum salary but the maximum salary for a given executive is set by the Committee. Increases are determined based on the factors described above.	**Maximum Opportunity** There is no defined maximum. Benefits plans are set at (what are in the Committee's opinion) reasonable levels in order to be market competitive for their local jurisdiction and are dependent on individual circumstances. Participation in the Save As You Earn Option Scheme (or international equivalent) is capped at the same level as all other participants, which is determined by the Company within the parameters of applicable legislation.
Performance Measures n/a	**Performance Measures** n/a

Remuneration Policy Report continued

Retirement Benefits	Annual Bonus
Purpose and link to strategy Provides executives with retirement benefits. Supports recruitment and retention of high-calibre people.	**Purpose and link to strategy** Rewards annual performance against challenging financial, strategic and individual targets linked to Group strategy. Deferral into shares reinforces retention and enhances alignment with shareholders by encouraging longer-term focus and sustainable performance.
Operation Provision of annual pension allowance, invested in the Company's defined contribution plan or taken or provided as a cash allowance. In certain jurisdictions, more bespoke pension arrangements may be provided. In such circumstances, the Committee will give appropriate consideration to local employment legislation, local market practices and the cost of the arrangement.	**Operation** The Group operates a Group-wide bonus pool which is funded based on the achievement of financial and strategic goals of the Group. Allocations to individual Executive Directors are made from this pool based on the Committee's assessment of their personal performance, taking into account the Group's financial and strategic performance and the achievement of any personal objectives related to their role. Performance targets are reviewed and set by the Committee at the beginning of each performance year. Awards are determined by the Committee after the year-end based upon the actual performance against these targets. The Committee applies judgement where necessary to ensure approved pay-out levels are reflective of actual, overall performance and has the ability to exercise discretion in adjusting the formulaic outcome of incentives to ensure the outcome is reflective of the performance of the Company and the individual over the period. — 40% of the annual bonus will be subject to mandatory deferral, normally for a period of three years. — Bonus deferral will be 100% into shares. — Dividends (or equivalents) may be paid in respect of deferred shares on vesting. — Unvested deferred awards are subject to malus provisions as described below. Paid bonuses and vested deferred awards are subject to clawback as described below.
Maximum Opportunity The maximum annual pension contribution/cash allowance for Executive Directors is 10% of salary (except where required by local market practice where levels could be set at a higher or lower amount). This is a rate aligned with the wider workforce in the UK.	**Maximum Opportunity** Maximum annual bonus opportunity of 300% of salary for CEO and 200% of salary for other Executive Directors.
Performance Measures n/a	**Performance Measures** Based on a combination of financial (e.g. adjusted operating profit and future growth), strategic and personal performance targets. Strategic objectives include key targets and areas of focus, which are set annually, and measured through achievement of stretching targets against externally reported KPIs. Whilst not an exclusive list, examples of strategic objectives can include culture, resilience, customer, efficiency, and sustainability. These strategic objectives also impact on financial results in the medium term. The Committee will set the detail and mix of performance measures, targets and weighting based on the strategic objectives at the start of each year. At least 70% of the annual bonus pool and Executive Directors' bonuses will be based on performance against financial measures. No bonuses are paid for below threshold performance. The Committee may award any amount between zero and 100% of the maximum opportunity.

Long-term incentives (under Long Term Incentive Plan 2014 and Equity Incentive Plan)	Share ownership
Purpose and link to strategy Incentivises performance over the longer term through the award of performance-related shares. Aligns reward with long-term, sustainable Group performance and a focus on shareholder value.	**Purpose and link to strategy** Ensures alignment with shareholders' interests.
Operation — Awards of shares (or equivalent) are granted annually (to be granted under the EIP from 2024 onwards). — Awards vest subject to performance targets assessed over a performance period, normally of at least three financial years with an additional holding period of two years. The Committee has discretion to set different performance periods and holding periods if it considers them to be appropriate. — The Committee shall determine the extent to which the performance measures have been met. The Committee may make adjustments to performance targets if an event occurs which makes, at the Committee's determination, an adjustment appropriate. The performance targets will be at least as challenging as the ones originally set. — The Committee has the ability to exercise discretion in adjusting the formulaic outcome of incentives to ensure the outcome is reflective of the performance of the Company and the individual over the period. — Dividends (or equivalents) may be awarded on vesting. Unvested awards are subject to a malus provision and vested awards are subject to clawback, as described below.	**Operation** Executive Directors are expected to build up share ownership over a period of five years from appointment. The minimum shareholding requirement is 600 per cent of base salary for the CEO and 400 per cent of base salary for other Executive Directors. Executive Directors are expected to hold 100% of their minimum shareholding requirement for two years post-departure. In cases where the individual has not had sufficient time to build up share ownership to meet the minimum shareholding requirement, the post-employment shareholding requirement will be based on their actual level of shareholding on departure. The Committee has discretion to vary or waive part or all of the post-employment shareholding requirement in exceptional circumstances.
Maximum Opportunity Maximum awards of up to 550% of salary for the Chief Executive Officer and 400% of salary for other Executive Directors.	**Maximum Opportunity** N/a
Performance Measures The Committee determines performance targets each year to ensure that the targets are stretching and support value creation for shareholders while remaining motivational for management. Vesting of awards is subject to achievement of total shareholder return and other financial performance targets. Any one measure will not exceed two-thirds of the award. For each performance element, achievement of the threshold performance level will result in no more than 25 per cent of the maximum award paying out. For achievement of the maximum performance level, 100% of the maximum pays out. Normally, there is straight-line vesting between these points.	**Performance Measures** N/a

Notes to the Policy Table

Selection of performance measures

Performance targets are set by the Committee to be both stretching and achievable, taking into account the Group's strategic priorities and the economic landscape.

The performance measures that are used for our annual bonus and long-term incentive awards have been chosen to support the Group's strategy. For the annual bonus plan, the Committee continues to believe that it is appropriate to use a balance between financial targets, strategic objectives and personal performance objectives.

The Committee considers that the measures to be used for long-term incentive awards going forwards, i.e. relative TSR against sector peers and the FTSE 100 index, and adjusted EPS, are currently the most appropriate measures of long-term performance for the Group. The Committee reviews the measures, weightings and targets for long-term incentive awards on an annual basis, to ensure their continued suitability and to ensure they are sufficiently stretching for LSEG.

Remuneration Policy Report continued

Malus and clawback provisions
Malus and clawback provisions apply to all share incentive awards granted to Executive Directors. Clawback provisions apply to annual bonuses paid to Executive Directors.

In respect of future awards under the EIP, the malus provisions allow the Committee in its absolute discretion to determine, at any time prior to the payment or vesting of an award, to reduce, cancel or impose further conditions in certain circumstances, including;

(a) material misstatement or restatement in the Company's or any member of the Group's audited financial accounts (other than as a result of a change in accounting practice);

(b) the negligence, fraud or serious misconduct of an individual, or fraud or serious misconduct with the knowledge of a participant;

(c) conduct by an individual which results in, or is or was reasonably likely to result in (whether or not such result has transpired e.g., if undiscovered and/or if no mitigating steps had been taken):
  (i) significant reputational damage to the Company, any member of the Group or to a relevant business unit (as appropriate);
  (ii) a material adverse effect on the financial position of the Company, any member of the Group or to a relevant business unit (as appropriate);
  (iii) a material downturn in the financial performance of the Company, any member of the Group or to a relevant business unit (as appropriate);
  (iv) a material corporate failure of the Company, any member of the Group or to a relevant business unit (as appropriate);
  (v) a material adverse effect on the business opportunities and prospects for sustained performance or profitability of the Company, any member of the Group or relevant business unit (as appropriate); or
  (vi) a material failure of risk management in the Company, any member of the Group or to a relevant business unit (as appropriate),

  or an individual being (or having been): a member of; an employee of; or responsible for, a business unit, the Company or a member of the Group that suffers (or may or could reasonably have suffered) any of the same;

(d) where the grant, vesting, exercise, payment or release of an award would not be sustainable according to the financial situation of the Group as a whole nor justified on the basis of the performance of the Group, the relevant business unit and the relevant individual;

(e) conduct or behaviour by an individual that, following an investigation, is reasonably considered by the Committee to constitute a breach of the Company's values and/or standards as stipulated by the Group's Code of Conduct or any of the Company's policies, procedures or any provision of any staff handbook in force from time to time;

(f) unreasonable failure by an individual to protect the interests of the Group's stakeholders;

(g) where a participant ceases to be an employee by reason of their retirement (as determined by the Committee) at any time prior to payment or vesting, but becomes employed in an executive role by any entity other than a role for which they receive no remuneration;

(h) an error in assessing any performance conditions applicable to an award or in the information or assumptions on which the award was granted, vests or is exercised, paid or released; or

(i) any other circumstances that the Committee, in exercising appropriate discretion and acting fairly and reasonably, considers to be similar in nature or effect to those above.

Clawback provisions allow the Committee in its absolute discretion to claw back from individuals some or all of the vested EIP awards or paid bonus in the same circumstances outlined for malus above.

Clawback will normally apply for a period of three years following vesting of share awards and/or payment of cash bonus unless the Committee determines otherwise.

Similar but not identical malus and/or clawback triggers apply to existing awards under other LSEG discretionary share incentive plans, and to annual bonuses.

Freezing provisions
Under the EIP, the Committee may also exercise its discretion to "freeze" an award (e.g. suspend grant, vesting, exercise or delivery of an award):

(a) where an individual is subject to any investigation, disciplinary process or disciplinary sanction;

(b) any circumstances in which the Committee may apply its discretion to apply malus/clawback (as explained above); or

(c) in any other circumstances that the Committee, in exercising its discretion and acting fairly and reasonably, considers appropriate.

Recruitment policy
When determining the remuneration package for a newly appointed Executive Director, the Committee would seek to apply the following principles:
- The package should be market competitive to facilitate the recruitment of individuals of sufficient calibre required by the Group. Consistent with the UK Corporate Governance Code, the Committee would intend to pay no more than it believes is necessary to secure the required talent.
- The ongoing remuneration package would normally include the key elements on the same terms as those set out in the policy table for Executive Directors.
- The maximum level of variable remuneration which may be awarded on recruitment (excluding any buy-outs referred to below) is 850% of salary. Incentive awards made in the first year of appointment may be subject to different performance measures and targets appropriate to the newly recruited Executive Director.
- Recognising that the Group competes for talent in the international financial services sector, on an exceptional basis, the Committee has the ability to include other elements of pay which it feels are appropriate taking into account the specific commercial circumstances (e.g., for an interim appointment). However, this would remain subject to the limit on variable remuneration set out above. The rationale for any such component would be appropriately disclosed.
- In addition, where an individual forfeits arrangements as a result of appointment, the Committee may offer a buy-out, in such form as the Committee considers appropriate taking into account all relevant factors which may include the vehicle, expected value and timing of forfeited opportunities. Any such buy-out will be limited to the commercial value of payments and awards forfeited by the individual.

— Where an Executive Director is required to relocate from their home location to take up their role, the Committee may provide reasonable relocation assistance and other allowances including expatriate assistance. Global relocation support (normally for up to five years) and any associated costs or benefits (including but not limited to housing, school fees, tax preparation and filing assistance and flights back to the home country) may also be provided if business needs require it. Should the executive's employment be terminated without cause by the Group, repatriation costs will be met by the Group.
— In the event that an internal candidate is promoted to the Board, legacy terms and conditions would normally be honoured, including pension entitlements and any outstanding incentive awards.
— The remuneration package for a newly appointed Non-Executive Director would normally be in line with the structure set out in the policy table for Non-Executive Directors (see page 135).

Service contracts and payments for departing Directors
The Group's current policy is that Executive Directors' service agreements should have notice periods that are no longer than 12 months. The Group may terminate an Executive Director's service agreement by making a payment in lieu of notice of a sum equal to salary, pension, flexible benefits allowance, and life and medical insurance (but excluding bonus and share incentives) in respect of any unexpired period of notice, plus any accrued unused holiday entitlement. Consideration will be given to appropriate mitigation terms (including payments in instalments) to reduce payments in lieu of notice made on termination in the event of the Executive Director commencing alternative employment, being appointed as a Non-Executive Director or providing services pursuant to a consultancy agreement in the period that would have been served as notice following the Executive Director's departure.

The Group may pay an Executive Director's reasonable legal fees for receiving advice in connection with their employment or its termination.

The lawful termination mechanisms described above are without prejudice to the Group's ability in appropriate circumstances to terminate in breach of the notice period referred to above, and thereby to be liable for damages to the Executive Director. Liquidated damages clauses are not used.

In the event of termination by the Group, an Executive Director may be paid an amount in respect of any statutory and/or contractual claims they may have in connection with their employment and/or its termination. Directors' and Officers' liability insurance and an indemnity to the fullest extent permitted by the law and the Group's Articles of Association are provided to the Executive Directors for the duration of their employment and for a minimum of seven years following termination.

The Committee considers that this is consistent with current best practice and this approach will generally be adopted for new appointments. Where appropriate and when recruiting non-UK based Directors, the Committee may agree different terms based on local legal requirements or market practice.

Treatment of variable incentives

Annual bonus
Individuals may be considered for an annual bonus in respect of the period prior to cessation. Any award would be at the discretion of the Committee, subject to the Executive Director's performance and period of employment and subject to performance targets in the usual way.

Deferred Bonus Plan
For good leavers, awards will usually vest at the normal vesting date, although the Committee may determine that awards vest on cessation of employment. Awards will normally vest in full for a good leaver, but the Committee has discretion to pro-rate the award if appropriate to do so. If the vesting of a good leaver's award(s) is required to be accelerated due to local law requirements (including tax law), the Committee would ordinarily impose a post-vesting holding period on the resulting net-of-tax shares for the balance of the original vesting period, during which the leaver would not be permitted to sell or transfer those shares. Good leavers are those who cease to be an employee of a member of the Group by reason of death, injury, disability, ill-health, redundancy, the sale of the individual's employing business or the transfer of the Company out of the Group, or any other reason which the Committee decides in its discretion (having regard to a range of relevant factors including the Executive Director's performance, length of service and circumstances of their departure), and retirement from a professional career or to work in a governmental capacity or for a non-profit organisation and with agreement from the Company/Committee will also be an express good leaver reason.

Where an individual is not considered to be a good leaver, unvested awards will lapse. Where an individual is summarily dismissed, all awards will lapse.

Deferred unvested awards are subject to malus and vested awards are subject to clawback.

Long Term Incentive Plan 2014/Equity Incentive Plan
For good leavers, awards will normally vest at the normal vesting date and following the end of the performance period, unless the Committee determines that awards should vest following cessation of employment. The two-year post-vesting holding period following the end of the performance period will normally continue to apply unless the Committee determines otherwise. If the vesting of a good leaver's award(s) is required to be accelerated due to local law requirements (including tax law), the Committee would ordinarily impose a post-vesting holding period on the resulting net-of-tax shares for the balance of the original vesting period, during which the leaver would not be permitted to sell or transfer those shares. Vesting will be subject to performance and unless the Committee determines otherwise (or that another basis of reduction is appropriate) pro-rated for time in employment. Good leavers are those who cease to be an employee of a member of the Group by reason of death, injury, disability, ill-health, redundancy, and the sale of the individual's employing business or transfer of the Company out of the Group, any other reason which the Committee decides in its discretion, having regard to a range of relevant factors including the Executive Director's performance, length of service and circumstances of their departure, and (in the case of the Equity Incentive Plan) retirement from professional career or to work in a governmental capacity or for a non-profit organisation and with agreement from the Company/Committee is also now included as an express good leaver reason.

Where an individual is not considered to be a good leaver, unvested awards will lapse.

Unvested awards are subject to malus and vested awards are subject to clawback as detailed above.

Remuneration Policy Report continued

Buy-out awards
If a departing Executive Director holds a buy-out award granted to them in connection with their appointment, that award will be treated in accordance with its terms.

Detailed share plan provisions
Share awards are subject to the terms of the relevant plan rules under which the award has been granted. The Committee may adjust or amend awards only in accordance with the provisions of the plan rules. This includes making adjustments to awards to reflect certain corporate events, including a variation in the Company's share capital, a demerger or a special dividend. In change of control circumstances, all LTIP and EIP awards will normally vest on an accelerated basis to the extent that the performance conditions are satisfied, and, unless the Committee determines otherwise, subject to time pro-rating. Deferred Bonus awards will normally vest in full. The Committee may also allow or require some or all of an award to be exchanged if not yet vested.

Individual terms
David Schwimmer entered into a service agreement with the Group on 12 April 2018 and was appointed with effect from 1 August 2018. David Schwimmer's service agreement may be terminated by either party giving at least 12 months' notice. Alternatively, the Group may terminate the contract by payment in lieu of notice of a sum equal to 12 months' salary, pension, flexible benefits allowance, and life and private medical insurance (but excluding bonus, share incentives and car transportation). Any payment in lieu of notice will be paid in equal monthly instalments from the date of termination of the employment. Should Mr Schwimmer commence alternative employment, be appointed as a Non-Executive Director or provide services pursuant to a consultancy agreement in the relevant period (of 12 months) following his departure from the Group, each remaining instalment will be reduced by one-twelfth of the annual remuneration earned from the alternative employment, directorship or consultancy arrangement. Payments of the instalments may be required to be deferred until six months after termination by US tax rules applying to Mr Schwimmer. To the extent that any payment or benefits payable to Mr Schwimmer under his service agreement or under any bonus or share incentive plan would be subject to US excise tax, the payments and benefits may be reduced if this would result in Mr Schwimmer receiving a greater after-tax amount than if the benefits were not reduced. On termination (other than by reason of summary dismissal) Mr Schwimmer will be eligible to receive a pro-rata bonus for the year in which his employment is terminated subject to Group and personal performance.

Michel-Alain Proch entered into a service agreement with the Group dated 1 November 2023 and was appointed with effect from 26 February 2024. Michel-Alain Proch's service agreement may be terminated by either party giving at least 12 months' notice. Alternatively, the Group may terminate the contract by payment in lieu of notice of a sum equal to 12 months' salary, pension, wellbeing and flexible benefits allowance, and life and private medical insurance (but excluding bonus and share incentives). Any payment in lieu of notice will be paid in equal monthly instalments from the date of termination of the employment. Should Mr Proch commence alternative employment, be appointed as a Non-Executive Director or provide services pursuant to a consultancy agreement in the relevant period (of 12 months) following his departure from the Group, each remaining instalment will be reduced by one-twelfth of the annual remuneration earned from the alternative employment, directorship or consultancy arrangement. On termination (other than by reason of summary dismissal) Mr Proch will be eligible to receive a pro-rata bonus for the year in which his employment is terminated subject to Group and personal performance.

Remuneration policy for other employees and consideration of wider employee remuneration
The Committee has responsibility for overseeing arrangements for all employees and reviews broader workforce policies and practices in order to support decisions on executive pay.

Paying our employees fairly relative to their role, skills, experience and performance is central to our approach to remuneration, and our reward framework and policies support us in doing this. Our Group-wide reward framework establishes a transparent and robust compensation structure, elements and leverage for each career stage in the organisation, providing the Committee with oversight of workforce remuneration.

The Committee places great importance on ensuring our pay policies and incentives support the desired culture and behaviours of the Group. As detailed in the "Annual bonus operation" section on page 143, bonus awards for our Group Executive team as well as our Executive Directors are determined in accordance with performance against Group financial performance, Group strategic objectives and personal objectives. This provides the Committee with greater structure in determining the bonus of senior management as well as allowing for a greater focus on culture and behaviours.

The Remuneration Policy for senior executives and other employees is determined based on similar principles to Executive Directors. For roles below the main Board, the exact structure and balance are tailored based on various factors including the scale, scope or responsibility of the role, development within a role and/or significant market movement. The Committee reviews and comments on the salary, bonus and long-term incentive awards of the senior executives immediately below Board level and approves the overall design and distribution of incentive awards available to all employees, including share-based plans.

The approach in respect of base salary and benefits is generally consistent across the organisation. Executive Directors' and other senior managers' remuneration includes a greater proportion of performance-related pay when compared to other employees. The Committee considers this is essential to differentiate levels of responsibility and align pay to sustainable long-term performance and shareholders' interests.

The majority of employees are eligible to participate in the annual bonus plan which is subject to similar metrics to those used for the Executive Directors. Opportunities vary by career stage. Employees not participating in the annual bonus typically participate in another incentive plan. For example, some sales employees participate in sales compensation plans rather than the annual bonus plan.

Deferral of a portion of the annual bonus is operated for our Executive Director, Group Executive and Group Leader populations. 40% of the annual bonus for our Executive Directors is deferred into shares for a period of three years. Below Board, our Group Executives and Group Leaders defer 40% of their annual bonus, normally vesting in equal tranches over three years; for participants in the Co-invest Plan, their deferred bonus vests after three years. Participants in the Co-invest Plan invest their deferred bonus into shares and receive a 2:1 company match; performance measures and vesting on the match mirror those of long-term incentive awards. The operation of bonus deferral reinforces the alignment of the pay of our senior employees with shareholder interests and the Group's long-term performance.

Malus and clawback provisions apply to all awards granted under discretionary share incentive plans.

In setting remuneration for Executive Directors, the Committee considers the overall approach to rewarding employees across the Group taking into account performance, the complexity, scale, scope or responsibility of the role, development within a role and/or significant market movement.

We have held briefings with People Leaders and Executive Committee members to explain changes to the Reward Framework and alignment with the Executive Director Remuneration Policy. While employees are not directly consulted on the development of the Remuneration Policy for Executive Directors, employee forums held in key regional locations give employees the opportunity to provide feedback and express their views on any topic including executive remuneration.

The Committee receives ongoing regulatory updates and information on external market practices from its independent external advisers who provide additional context for decisions.

Consideration of shareholders' views

The Committee is mindful of shareholder views when setting and evaluating ongoing remuneration principles and commits to consulting with shareholders prior to any significant changes to the Remuneration Policy.

In formulating the revised 2024 Policy, we consulted extensively with nearly 100 shareholders, representing approximately 80% of LSEG's voting rights, and proxy agencies. We are grateful for the valuable input provided by everyone we engaged with during this process, which informed the detail of our revised Policy. Overall, the majority of shareholders were supportive of our proposals and recognised the rationale of our thinking in light of the transformation and high performance of the business, both in absolute and relative terms, under our CEO's leadership, and the need for LSEG to compete in a global talent market.

Policy for Non-Executive Directors

Approach to setting fees	Basis of fees	Other items
The fees for Non-Executive Directors are set at a level which is considered appropriate to attract individuals with the necessary experience and ability to make an important contribution to the Group's affairs. The Chair's fee is determined by the Remuneration Committee, and the Board is responsible for determining all other Non-Executive Director fees. Fees are reviewed periodically to ensure they remain appropriate in the context of: the role scope; company size, complexity and global breadth; and wider market conditions. The Committee retains the flexibility to increase, adjust and make one-off payments to Non-Executive Directors based on their remit. Fees are set taking into account the level of responsibility of each Non-Executive Director and fees at other companies of a similar size and complexity. The aggregate basic fees payable to all Non-Executives combined (excluding fees as Chair and excluding fees paid for any appointments on subsidiary boards) are capped as set out in the Group's Articles of Association as they may be amended by a resolution of shareholders from time to time. The current limit on the aggregate basic fees that are payable is £1,500,000 per financial year.	Non-Executive Directors receive a basic annual fee with additional fees payable for services such as committee chairmanship. Non-Executive Directors are also entitled to receive fees from subsidiary companies if appointed to such boards. The Non-Executive Chair of the Group receives an all-inclusive fee for the role. Fees are neither performance-related nor pensionable. Non-Executive Directors are not eligible to participate in the annual bonus or long-term incentive plans and are not entitled to any payments on termination.	Non-Executive Directors receive an allowance for any Board meeting involving intercontinental travel. Travel and other appropriate expenses with associated taxes (including fees incurred in obtaining professional advice in the furtherance of their duties) incurred in the course of performing their duties are reimbursed to Non-Executive Directors. Non-Executive Directors are covered by the Directors' and Officers' insurance and indemnification. Non-Executive Directors are required to build up share ownership of at least 1x basic annual fees within three years of appointment.

Non-Executive Directors have letters of appointment with no notice period except for the Group Chair who has a notice period of six months unless he is not re-elected by shareholders in which case his appointment will terminate immediately. The Non-Executive Directors' appointments are for an initial period of three years from the date of appointment and are also subject to re-election by shareholders.

Amendments to the Remuneration Policy Report

The Committee remains mindful that regulation of companies in the financial services sector continues to evolve. The Committee recognises that remuneration arrangements may need to be amended in order to comply with any new regulations which become applicable to the Group. The Committee reserves the right to make changes to the Policy described above in order to comply with any such regulatory requirements which apply to the Group including any changes required under the UK Corporate Governance Code or for regulatory, exchange control, tax or administrative purposes, to take account of a change in legislation, or to make minor amendments without obtaining shareholder approval for that amendment. Where this results in a major structural change, the Committee would expect to present a revised policy to shareholders for approval at the following AGM.

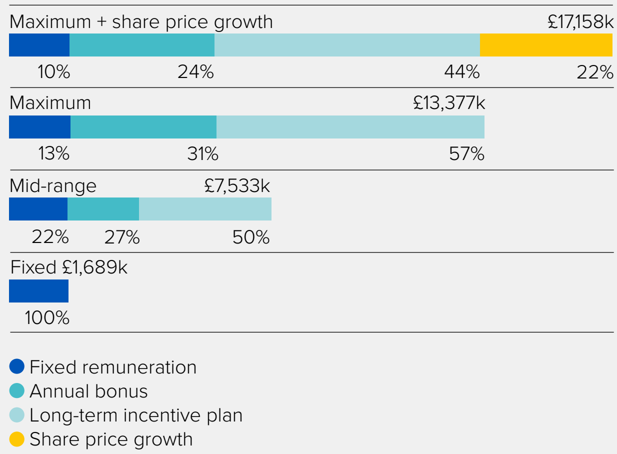
Remuneration Policy Report continued

Illustration of the application of the Remuneration Policy for Executive Directors

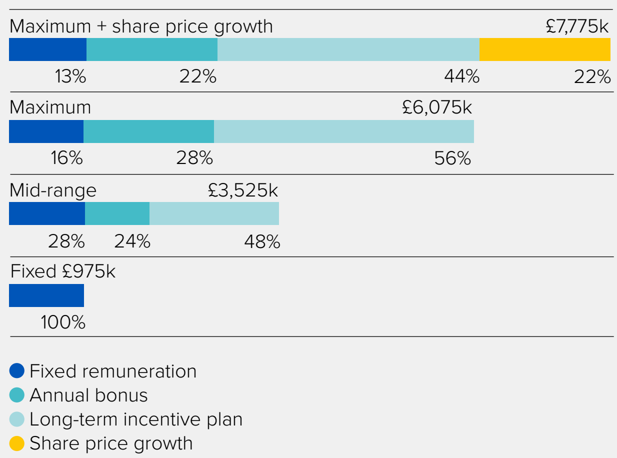
The chart on the right illustrates how much the current Executive Directors could receive under four different hypothetical performance scenarios for the first year of this policy taking effect i.e. 2024: minimum, mid-range, maximum and maximum assuming a 50% increase in share price for long-term incentive awards during the vesting period. It is important to highlight that the full impacts of the policy proposals will not be realised until 2029 when the 2024 long-term incentive award is released from the holding period, should stretching performance targets be met.

Element of remuneration	Detail of assumptions
Fixed remuneration	This comprises: — Base salary with effect from 1 January 2024 — For David Schwimmer, benefits as they applied on 31 December 2023 and set out in the single figure table in the Annual Remuneration Report but excluding the CEO's fixed-term flight allowance which ceased on 31 December 2023. Estimated value of benefits for Michel-Alain who joined as CFO on 1 March 2024[1] — Pension
Annual Bonus	Assumes maximum opportunity of 300% of salary for CEO and 200% of salary for the CFO For mid-range scenario: assumes payment of 50% of the maximum opportunity For maximum: assumes payment of 100% of the maximum opportunity
Long-term incentives	Assumes maximum opportunity of 550% of salary for the CEO and 400% of salary for the CFO in conditional shares For mid-range scenario: assumes 50% of the maximum opportunity For maximum: assumes vesting of 100% of the maximum opportunity plus a second scenario assuming a 50% increase in share price during the performance period

David Schwimmer
Chief Executive Officer



Michel-Alain Proch
Chief Financial Officer



Legacy arrangements

The Committee may make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) where the terms of the payment were agreed/granted (i) before the policy came into effect or (ii) at a time when the relevant individual was not a Director of the Group and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Group.

1 Fixed remuneration for Michel-Alain Proch includes estimated value of benefits based on FY2023 expenses for prior CFO plus wellness allowance.

Annual Report on Remuneration

This section sets out how remuneration arrangements have operated during the past financial year (FY2023), and also provides details on how we intend to operate our Policy during the coming year (FY2024). This report will be put to an advisory vote at the 2024 AGM. The information from this page 137 to page 153 has been audited where required under the regulations and is indicated as audited where applicable.

Single total figure of remuneration for Executive Directors

	David Schwimmer				Anna Manz			
Single total figure of remuneration	**FY2023 £000**	**% of total**	FY2022 £000	% of total	**FY2023 £000**	**% of total**	FY2022 £000	% of total
Fixed remuneration								
Salary	**1,000**		1,000		**750**		650	
Flexible benefits allowance	**15**		15		**15**		15	
Benefits	**229**[3]		135		**40**[4]		39	
Pension	**100**		100		**75**		65	
Pay for performance								
Annual bonus	**1,582**		1,433		**–**		802	
Long term incentive – performance[1]	**1,800**		1,974		**–**		–	
Long term incentive – share price growth[1]	**401**		197[2]		**–**		–	
Total remuneration of which	**5,127**		4,854		**880**		1,571	
Fixed remuneration	**1,344**	**26%**	1,250	26%	**880**	**100%**	769	49%
Variable remuneration	**3,783**	**74%**	3,604	74%	**–**	**0%**	802	51%

Notes to the table:

1 The value delivered through performance is calculated as the number of shares forecast to vest in 2024 multiplied by the share price on the date of grant. The value delivered through share price growth is calculated as the same number of shares multiplied by the difference between the average share price in the last three months of the financial year, being £86.34, and the share price on the date of grant, being £70.62. The Committee does not intend to amend the outcome or make any adjustments in regard to share price growth over the period, on the basis that this reflects our view of the Group's underlying performance and returns for shareholders over the performance period.

2 Performance shares vested at 82% on 22 April 2023 at £80.84 per share.

David Schwimmer

3 Benefits include the cash value of private medical, income protection and life assurance plus expatriate allowances (including flight allowance which ceased on 31 December 2023) and commuting expenses (including car transportation where appropriate) with associated taxes. David Schwimmer contributed £500 per month to the 2020 SAYE plan until it matured on 1 June 2023 and contributes £500 per month into the 2023 SAYE scheme which will mature in November 2026 with a six-month exercise window; these benefits have been valued based on the 20% discount to market value on the SAYE option exercise price.

Anna Manz

4 Benefits include the cash value of private medical, income protection and life assurance plus commuting expenses (including car transportation where appropriate) with associated taxes.

Further notes

There were no money or assets reported in any previous financial year that were subject to a recovery of sums paid or withholding during the year.

Payments for loss of office

No payments were made for loss of office during the year.

Payments to past Directors

No payments were made to past Directors during the year.

Additional notes to the Single total figure of remuneration

Fixed pay

Base salary

When reviewing Executive Director salaries, and in line with our Policy, the Committee considers multiple reference points including our sector peers and companies in the FTSE 30.

Benefits

A flexible benefits plan is offered, in which individuals have certain core benefits (such as private medical, life assurance and income protection) together with (in the UK) a taxable cash allowance which can be spent on elective benefits (such as additional medical, life or dental cover). Where received as a cash supplement, this allowance is not used to calculate bonus payments or pension contributions.

Benefits are reviewed periodically to ensure they remain affordable and competitive. Executives are eligible to participate in the Group's HMRC tax-favoured SAYE Scheme (or international equivalent). There has been no change to the provision of benefits and all arrangements below have previously been disclosed.

David Schwimmer and Anna Manz receive a flexible benefits allowance of £15,000 per annum, which is unchanged from last year. In addition, the Executive Directors receive benefits in kind which include private health care, permanent health insurance and life assurance arrangements. Car transportation is also provided where appropriate.

As an expatriate from the US to UK, David Schwimmer received/receives the following:

Expired:

— For the first five years of employment, an annual allowance of up to £50,000 to cover flights between London and the US for Mr Schwimmer and his family; this allowance ceased on 31 December 2023.

Current:

— Tax preparation and filing assistance in the US and the UK.

— The Group will meet the costs of repatriating Mr Schwimmer's effects back to the US if the Group terminates his employment other than in circumstances such as serious misconduct which would justify termination.

Save As You Earn (SAYE)

David Schwimmer contributed £500 per month into the 2020 SAYE scheme which matured in June 2023, and he exercised on 1 June 2023. David contributes £500 per month into the 2023 SAYE scheme which will mature in November 2026 with a six-month exercise window.

Anna Manz contributed £500 per month into the 2021 SAYE scheme. Anna's 2021 SAYE scheme lapsed upon her leaving date as per the plan rules.

Insurance and indemnification

Executive Directors are covered by the Directors' and Officers' insurance and indemnification.

Malus and clawback

There are no contractual malus or clawback provisions in place in relation to benefits.

Retirement benefits

In the UK, pension provision for our Executive Directors takes the form of a non-consolidated cash allowance; only base salary is used to calculate pension entitlement and no other pension supplements apply.

David Schwimmer and Anna Manz each received an allowance equivalent to 10% of base salary as a taxable cash supplement, which is in line with the wider workforce, ensuring we are compliant with the UK Corporate Governance Code.

Bonus awarded for FY2023

Executive Directors are eligible to receive an annual bonus based on meeting or exceeding bonus targets that are set at the beginning of the year, looking at the Group's financial performance and strategic objectives as well as personal performance.

The Remuneration Committee also receives input from the Risk Committee with regard to performance related to risk culture (awareness, transparency and accountability) when assessing remuneration decisions.

The operation of the FY2023 annual bonus is as per last year. The Group bonus pool was assessed 60% against financial performance and 40% against strategic objectives. The Committee considers AOP to be of particular significance for the Group and believes it should continue to be the main financial measure for annual bonus plan purposes. The maximum bonus opportunity for FY23 was 225% of salary for the CEO and 200% of salary for the CFO.

The Executive Directors' awards are funded from the Group bonus pool. For FY2023 bonus awards for the Executive Directors and Group Executive team continue to be determined in accordance with performance assessed: 60% against Group AOP; 20% against Group strategic objectives; and 20% against personal objectives (including divisional objectives where applicable).

Personal performance is assessed against contribution to the strategic objectives, including cultural objectives, and against role-related goals and expected behaviours, taking into account both what has been achieved and how the individuals achieved their targets.

Determination of bonus for FY2023

The Committee determined the overall Group bonus pool with reference to the 12-month performance period ending 31 December 2023. The performance measures and targets for the FY2023 Group bonus pool are set out below:

Performance measure	Threshold	Target	Maximum	Weighting	Outcome achieved
Group AOP	£2,740m	£2,880m	£3,210m	60%	38%
		Actual £2,934m[1]			
Strategic Objectives	10%	20%	40%	40%	28%
		Actual: 28%			
	Details of performance are set out below				
Total				100%	66%

1 AOP excludes amortisation of purchased intangibles and non-underlying items, and is measured using budget foreign exchange rates and is on a pro-forma basis.

Summary assessment of strategic objectives

In determining the overall outcome of the strategic objectives for the FY2023 Group bonus pool, the Committee took into account certain factors relating to risk, including compliance risk and resilience, which meant that despite the otherwise strong strategic performance achieved against the objectives, the Committee determined that, on balance, the overall outcome of this component should be 28%. This outturn is lower than the previous year's outturn of 31%. Further details of performance against strategic objectives is set out below.

Measure	Objective	ESG alignment	KPIs	Performance against objectives	Outcome achieved
Growth	Accelerate growth within and across Divisions; realise transformational growth opportunities		Total income growth (excl. recoveries) Annualised Subscription Value Growth (Organic)	— Generated 8.3% income growth (excl. recoveries) from net sales, synergy, pricing, market share, retention; margin 47.7% (+7bps vs 2022). — Achieved +370bps acceleration in ASV growth since Refinitiv acquisition (vs 3.0% 1Q21), including strong yield from elevated D&A price increase.	Exceeded expectations
			Progress towards FY2024 Price yield	— Full year outcome outperformed plan; developed 2024 Pricing Strategy to outperform yield stretch target that has been successfully executed with customers.	
			Microsoft Partnership Delivery	— Delivery of commercial releases dependent on a series of complex development environment enhancements – on course to deliver product in H1 2024, ahead of schedule. — Established Operating Model including key hires and product roadmaps and engaging customers in design phase.	
			Run rate revenue synergies	— Delivered cumulative run-rate revenue synergies of £158m at year end.	
			Delivery of M&A business cases	— Executing Group M&A Strategy driving growth and efficiencies, 2023 activity included the Acadia acquisition, step-up in ownership for LCH SA, divestment of Nest and the integration of 2022 acquisitions.	
Culture	Foster diversity, inclusion and a sense of belonging; develop leadership capability to deliver our goals	S	Engagement score	— Ignited Group's purpose through launch of new global LSEG Values; Engagement Survey score 75%; flat vs. previous year at a time of lower engagement benchmarks externally.	Exceeded expectations
			Gender and Ethnic diversity in Leadership	— EDI strategy refreshed, updating training, policies & leaves focused on equity and inclusion. — 42% women in Senior Leadership as of 31 Dec 23. — 14% ethnic or racial minority at senior leadership as of 31 Dec 23.	

Annual Report on Remuneration continued

Summary assessment of strategic objectives continued

Measure	Objective	ESG alignment	KPIs	Performance against objectives	Outcome
Resilience	Drive risk awareness and management; improve infrastructure and delivery for long-term resilience, compliance, sustainable growth	G	Critical (P1) & significant (P2) risk events	— Enhanced and embedding Enterprise Risk Management Framework & Policy Governance Framework and reducing P1/P2 incidents.	Exceeded expectations
			Top Risk Remediation	— Delivering major tech infrastructural and application transformation and supporting volatility and linked demand surges; improved speed to market and cost transparency. — Investing to prepare for upcoming regulations (e.g. DORA, PS21/3) and standards (e.g. BoE TPRM); enhancing Operational Resilience and Business Continuity.	
			Business Risk Maturity Assessment	— Continuing to improve resilience and Increasing business risk maturity.	
			Compliance policy adherence on a timely basis	— Mandatory training and individual policy attestation completed per target.	
Customer	Deliver an exceptional customer and engagement through our commitment to an open approach, partnerships and transparent markets. Demonstrate thought leadership and innovation in our core customer and partner value propositions	S	Customer Experience (CX) Score	— Simplifying customer experience through migration, reduced data errors, reduced outages, quicker turnaround of Quote & Order requests; co-solutioning and innovating with customers for their needs. CX Score at year end above target.	Significantly exceeded expectations
			Brand awareness	— LSEG Brand campaign launched in 15 markets globally with all related metrics demonstrating uptick in customer engagement and sense of pride amongst employees. — Demonstrating thought leadership in ecosystem; focussed campaigns on priority advocacy topics; created partnership with Reuters Breakingviews on policy issues.	
Efficiency	Simplify our governance, technology, operations, processes and products to enable scalable growth	S,G	Run rate cost synergies	— Delivered cumulative cost synergies of £442m at year end.	Significantly exceeded expectations
			Delivery of Group Strategic Programmes	— Transforming Finance systems, processes, data, and insights to drive efficiencies, improve insights and drive commercial outcomes. — Reinvested capacity gained through process automation into 19 growth business cases, expanding coverage, depth, breadth of data.	
			Tech Portfolio outcomes	— 195/195 Business Outcomes delivered for Tech portfolio. — Driving productivity with upgraded Corporate systems (Intranet, Employee self-service, automation) and IT Simplification (Cloud, standard databases & OS).	

Summary assessment of strategic objectives continued

Measure	Objective	ESG alignment	KPIs	Performance against objectives	Outcome
Sustainability	Establish LSEG as strategic enabler and leader of sustainable economic growth in ecosystem	E,S,G	Sustainability Ranking across European Exchanges	— Ranked Top 1 or 2 in Sustainability Ranking across European Exchanges. Brand Monitor shows 66% of stakeholders (vs 60% in 2022) perceive LSEG as a leader in sustainable finance.	Significantly exceeded expectations
			Performance in 3rd party sustainability ratings	— Ratings maintained or improved vs 2022.	
			Sustainable Issuers	— Growing the proportion of total issuers with Voluntary Carbon Mark, Green Economy Mark, or on Sustainable Bond Market; 60% increase in ESG data usage.	
			Emissions	— Climate Transition programme on track with 2026 and 2030 targets.	

Assessment of personal performance

Executive Director	Commentary
David Schwimmer, Chief Executive Officer	— David Schwimmer has led the Group's strong performance in an uncertain macroeconomic environment and continues to transform our business and deliver on our strategy. He continues to grow the business at a faster rate than it had been, with growth for the full year towards the upper end of the +6-8% guidance range. We have established a consistent track-record of growth in our Data & Analytics business, with the ongoing improvements to our offering and strengthened customer relationships increasingly reflected in financial performance. — Under David's leadership, the company is in a strong position financially; adjusted operating profit was £2.9 billion, up 7.9% on a constant currency basis; LSEG remains highly cash-generative and we continue to actively manage our capital allocation. The overhang on LSEG shares which was a significant drag at the beginning of the year has been seamlessly reduced with the Blackstone Consortium placements during 2023 oversubscribed due to strong demand from investors. The Blackstone holding has reduced from over 34% to around 11% over the year. LSEG's share price closed 2023 at £92.74, +30% on the year, making it one of the best performing shares in its global sector peer group. — David continues to foster an inclusive culture, setting the tone from the top and introducing a new set of global values across the Group. The results of the employee engagement survey were strong at 75% (flat on 2022 and against a global benchmark of decline externally) and the participation rate of 88% was the highest it has ever been. — David has acted boldly to bring in high-calibre senior talent, making four new ExCo appointments (CIO, CPO, Group Head of D&A and Group Head of SAM), with three of these being external recruits. He has also secured a top calibre CFO and hired an Indices expert to run B&I. — David continues to drive the business forward. The reaction to LSEG's Capital Markets Day has been positive with clear communication of the company's medium and long-term strategy, including raising of growth-targets, acceleration of delivery of Microsoft products and announcement of further returns to shareholders. — David has demonstrated a strong track record with LSEG achieving EPS and TSR performance around the upper quartile relative to the company's global sector peer group under his tenure. The feedback received during the Remuneration Policy review from LSEG's top 40 shareholders consistently recognised the importance of his role and transformational leadership as a strength for LSEG.

Anna Manz's personal performance was not subject to assessment for the purposes of the 2023 bonus given her resignation and forfeiture of the award.

Annual Report on Remuneration continued

Based on the above context and an assessment of personal performance, the Remuneration Committee awarded bonuses to each of the Executive Directors as follows:

Role		Chief Executive Officer	Chief Financial Officer (to 29 February 2024)
Name		David Schwimmer	Anna Manz
Bonus for FY2023	% of salary	158% of salary	0% of salary[1]
	% of max	70%	0%
	£ total amount	£1,581,975	£0
	Of which 50% is deferred	£790,988	N/A
Bonus Component	Financial Performance (60%)	64% of maximum	N/A
	Group Strategic Objectives (20%)	70% of maximum	N/A
	Personal Objectives (20%)	90% of maximum	N/A

Compulsory deferral under existing Remuneration Policy
Executive Directors must compulsorily defer 50% of their bonus into shares for a period of three years under the existing Policy. Dividend equivalents will be paid in respect of deferred shares on vesting.

LTIP Awards granted in April 2020 (vesting in 2023)
The awards granted in 2020 were based on relative TSR performance versus the FTSE 100 Index peer group and adjusted EPS performance in the 36-month performance period to December 2022. The relative TSR element vested at 56% and the AEPS element vested at 100%. These vesting outcomes reflect the delivery of significant value and reflects AEPS growth of 11% year-on-year and 19% CAGR over the three-year performance period; and 13.4% TSR performance over the three-year period (4.3% annualised) representing 6th decile performance relative to the FTSE 100 peer group. The vesting price at 22 April 2023 was £80.84. These values are shown in the single figure table for the financial year ending December 2022.

LTIP Awards granted in March 2021 (to vest in 2024)
The AEPS element of the LTIP awards made in 2021 will vest at 100% and the Relative TSR element will vest at 0%. These vesting outcomes reflect the delivery of AEPS growth of 18.3% CAGR over the three-year performance period; and 8.1% TSR performance over the three-year performance period (2.6%% annualised), representing 43rd percentile performance relative to the FTSE 100 peer group. The TSR position partly reflects the significant growth in the share price in the years leading up to the start of the 2021 LTIP performance period during which LSEG was consistently upper quartile.

The value shown in the single figure table on page 137 for the financial year ending December 2023 represents the estimated value of the 2021 awards which will vest in March 2024. The estimated value (including the estimated value of the award that reflects share price growth) is based on the average share price in the final three months of the financial year (£86.34). The Committee does not intend to amend the outcome or make any adjustments in regard to share price growth over the period, on the basis that this vesting reflects our view of the Group's underlying performance and returns for shareholders over the performance period. The awards are subject to a two-year post-vesting holding period.

1 No FY2023 bonus will be awarded to Anna Manz, who resigned as CFO on 25 May 2023 and left the Group on 29 February 2024.

The final vesting outcome (including the actual share price at vesting) will be disclosed in the next Annual Report on Remuneration covering FY2024.

The performance conditions applying to awards granted in March 2021 were as follows:

EPS element (60%) – average adjusted EPS growth	TSR element (40%) – relative TSR growth vs. UK FTSE 100 Index	Proportion of relevant element which vests
Less than 8% p.a.	Less than median	0%
8% p.a.	Median ranking	25%
18% p.a. or more	Upper quartile ranking	100%
Straight-line pro-rating applies between these points		

LTIP Awards granted in FY2023
Awards during FY2023 were granted in March under the LTIP and were made with a value of 300% of salary for the Executive Directors.

		Chief Executive Officer	Chief Financial Officer (to 29 February 2024)
Name		David Schwimmer	Anna Manz[1]
LTIP (conditional award)	% of salary	300% of salary	300% of salary
	Face value	£3,000,000	£2,250,000
	Share price[2]	£73.26	£73.26
	Number of LTIP shares granted	40,950	30,712

1 Anna Manz resigned as CFO on 25 May 2023. Following her resignation, her 2023 LTIP award lapsed.
2 The share price of £73.26 was determined using the closing price (MMQ) on 16 March 2023 as approved by the Share Scheme Committee (a subcommittee of the Remuneration Committee).

The performance conditions applying to awards granted in March 2023 are as follows:

EPS element (60%) – average adjusted EPS growth	TSR[3] element (40%) – relative TSR[3] growth vs. UK FTSE 100 Index	Proportion of relevant element which vests
Less than 6% p.a.	Less than median	0%
6% p.a.	Median ranking	25%
11.5% p.a. or more	Upper quartile ranking	100%
Straight-line pro-rating applies between these points		

3 TSR is measured over a two-month trailing average at the start and end of the performance period and compared to the FTSE 100 Index peer group. EPS is measured over the same performance period, three financial years ending 31 December 2025, and compared to the FY2022 baseline.

Other share plans (SAYE, SharePurchase)

All permanent UK employees, including Executive Directors, are eligible to participate in the HM Revenue & Customs tax-favoured Save As You Earn Scheme (SAYE). Under the rules of the SAYE, participants can save up to £500 each month, for a period of three years. At the end of the saving period, savings may be used to acquire ordinary shares by exercising the related option. The options may be granted at an exercise price which represents a discount of up to 20% to market value at the date of invitation. No performance conditions are attached to SAYE options. Employees in Sri Lanka, including Executive Directors, are eligible to participate in an equivalent international SAYE plan.

There is also a SharePurchase Plan, which is designed to provide share incentives to all people in our Group, including Executive Directors, who are not based in the UK or Sri Lanka. SharePurchase allows eligible employees in 29 countries to purchase up to an equivalent of £500 of LSEG ordinary shares per month, who are then awarded additional shares which vest after the completion of a three-year plan cycle. No performance conditions are attached to the award. During 2023 we launched SharePurchase into nine new countries, meaning that this year more than 91% of our employees globally were offered the opportunity to benefit from our success and share in LSEG's future by participating in one of our employee share ownership plans.

In 2023, David Schwimmer commenced saving at the maximum of £500 per month under the SAYE, and was granted an option on exactly the same terms as all other eligible employees. David had previously saved into the 2020 SAYE plan at the maximum £500 per month and exercised his 2020 SAYE option when it matured in June 2023. Anna Manz's 2021 SAYE option lapsed on her leaving date as per the plan rules.

These all-employee share plans are a core component of our people proposition and benefits offering, acting as a modest retention tool with over 33% of eligible employees globally being enrolled in plans during 2023.

Implementation of the Remuneration Policy during 2024 (1 January 2024 to 31 December 2024) (subject to shareholder approval)

Base salary operation:

As part of the Policy review, the Committee also considered base salary levels for our Executive Directors, in the context of the overall Policy changes.

As discussed in the Statement by the Chair of the Remuneration Committee (set out on pages 118 to 123), we are proposing a total remuneration package which appropriately reflects the CEO's proven ability, exceptional performance and the true market for his role and talent, whilst remaining respectful of UK norms (both in terms of the balance of different elements of pay and the link to short and longer-term performance). The CEO's salary will be £1,375,000 in FY24, at the level required to achieve a competitive overall market positioning broadly in line with the median of sector peers, without the need to increase the other elements of pay to levels that would be inconsistent with UK practice.

No changes are proposed to the salary of the exiting CFO. A salary of £850,000 was agreed for the new CFO with a start date of 26 February 2024.

Pension operation:

The CEO and the CFO receive a pension contribution of 10% of salary which is in line with the wider workforce, ensuring compliance with the UK Corporate Governance Code.

Annual bonus operation:

- For FY2024 the weighting of financial measures within the bonus pool will be increased from 60% to 75%, incorporating both AOP and Future Growth measures. The Group bonus pool will be determined based on performance measures weighted 60% Group AOP, 15% Future Growth and 25% Group Strategic Objectives to be assessed over a 12-month performance period.
- For FY2024, we are maintaining our high level of focus on sustainability within the assessment of the strategic objectives element, reflecting our commitment to drive financial stability, empower economies and enable customers to create sustainable growth.
- The Executive Directors' awards are funded from the Group bonus pool. Bonus awards for the Executive Directors will be determined in accordance with performance assessed: 60% against Group AOP; 15% Future Growth, 15% against Group Strategic Objectives; and 10% against personal objectives (including divisional objectives where applicable).
- Personal performance is assessed against contribution to the strategic objectives, including cultural objectives, and against role-related goals and expected behaviours, taking into account both what has been achieved and how the individuals achieved their targets.
- The Remuneration Committee receives input from the Risk Committee with regard to performance related to risk culture (awareness, transparency and accountability) when assessing remuneration decisions.
- 60% of any bonus payment for Executive Directors will be paid in March 2025. Under our new Policy, the remaining 40% will be deferred into shares for a period of three years.
- Deferred awards are subject to malus and clawback provisions (e.g. in cases of material misstatement, gross misconduct, misbehaviour or material failure of risk management) with judgement applied by the Committee.
- For good leavers, deferred awards will usually vest at the normal vesting date and in full, unless the Committee determines to scale back the award based on any factors deemed relevant. Where an individual is not considered to be a good leaver, unvested awards will lapse.

Long-term incentives (granted under the Equity Incentive Plan):

Long-term incentive awards are intended to be granted under the new EIP in 2024 in line with our revised Policy and subject to shareholder approval. The 2024 long-term incentive awards will be subject to a two-year holding period in addition to the three-year vesting period, resulting in a total five-year period from the date of grant.

The Committee has given careful consideration to the target ranges applicable to the 2024 grant, in particular to ensure that AEPS growth targets are appropriately stretching taking into account both internal and external forecasts. For the AEPS element (60% weighting), the performance targets will range from 7% to 12.5% growth per annum. This means that both the threshold and maximum end of the ranges are higher than the targets set for the 2023 LTIP grant. To achieve maximum vesting, an incremental £1.1bn AOP would be required in 2026, equivalent to incremental income in the region of £2.05bn, relative to 2023. We expect that this AEPS range will be one of the highest, if not the highest, in the FTSE 30 and continues to demonstrate LSEG's commitment to setting class-leading, stretching targets. Furthermore, the higher AEPS baseline makes AEPS CAGR growth increasingly challenging to achieve for LSEG.

Annual Report on Remuneration continued

For the TSR element (40% weighting), the relative performance targets will be assessed against our global sector peer group and the FTSE 100, each weighted 50:50. Performance targets will range from median to upper quartile for both peer groups.

Malus and clawback provisions will apply to these awards, allowing the Committee to reduce subsisting awards or request the re-transfer of value in respect of already paid or vested awards in certain circumstances (see page 132 above). The 2024 awards will vest three years after the grant date subject to relative TSR and adjusted EPS performance measures as follows:

EPS element (60%) – average adjusted EPS growth	TSR element (20%) – relative TSR growth vs global sector peer set[1]	TSR element (20%) – relative TSR growth vs. UK FTSE 100 Index	Proportion of relevant element which vests
Less than 7% p.a.	Less than median	Less than median	0%
7% p.a.	Median ranking	Median ranking	25%
12.5% p.a. or more	Upper quartile ranking	Upper quartile ranking	100%
Straight-line pro-rating applies between these points			

1 The sector peer set includes S&P Global, Intercontinental Exchange, MSCI, Nasdaq, CME, Moody's, FactSet, Cboe, Experian, Morningstar, Deustche Börse, Euronext, RELX and Wolters Kluwer.

Awards to be made during 2024

Based on the context and an assessment of personal performance, the Remuneration Committee intends to make grants to the Executive Directors as set out below.

Role		Chief Executive Officer	Chief Financial Officer
Name		David Schwimmer	Michel-Alain Proch
Long-term incentive award (subject to performance)	% of salary	550% of salary	400% of salary
	Amount	£7,562,500	£3,400,000

Shareholding requirements

The minimum shareholding requirement is 600 per cent of base salary for the CEO, 400 per cent of base salary for the CFO and 200-300 per cent of base salary for the Group Executive team. Executive Directors will also be required to hold the lower of their actual shareholding and 100% of their MSR for two years post-departure.

Non-Executive Directors' fees for 2024

There are no changes to Non-Executive Directors' fees and therefore the fee schedule for 2024 is as follows:

Fees	With effect from 1 Jan 2023	With effect from 1 Jan 2024
Group Chair	£625,000	£625,000
Senior Independent Director	£150,000	£150,000
Non-Executive Director base fee (inclusive of Committee memberships)	£95,000	£95,000
Audit/Remuneration/Risk Committee Chair	£40,000	£40,000

Non-Executive Directors are also required to build up a shareholding requirement of 1x basic annual fees, to be built up within three years of appointment.

Non-Executive Directors' remuneration

Non-Executive Directors' remuneration is determined by the Board and is neither performance-related nor pensionable. The Chair's fee is determined by the Remuneration Committee. The fees for Non-Executive Directors are set at a level which is intended to recognise the significant responsibilities of Directors and to attract individuals with the necessary experience and ability to make an important contribution to the Company's affairs. Comparisons are made with fees paid at FTSE 30 companies.

A travel allowance of £4,000 per intercontinental trip for Non-Executive Directors reflects the global nature of the Group's business and the additional time commitment required for travel. The Group Chair is not eligible for this allowance as he receives an all-inclusive fee for his role.

Travel and other appropriate expenses with associated taxes (including fees incurred in obtaining professional advice) incurred in the course of performing their duties are reimbursed to the Chair and to the Non-Executive Directors.

The Chair and the Non-Executive Directors do not participate in any of the Company's annual bonus or long-term incentive plans and are not entitled to any payments on termination.

The original date of appointment as Directors of the Company is as follows:

Name	Date appointed	Date of letter of appointment	Time to expiry	Notice period	Date of resignation	LSEG Committee membership/ chairmanship	Other subsidiaries/ committees
Don Robert	01/01/2019	01/01/2022	31/12/2024	6 months		Group Chair, Nomination Chair, Remuneration	
Dr. Val Rahmani	20/12/2017	20/12/2023	19/12/2026	None		Risk, Nomination, Remuneration	
Professor Kathleen DeRose	28/12/2018	28/12/2021	27/12/2024	None		Risk Chair, Audit, Nomination	
Cressida Hogg CBE	08/03/2019	08/03/2022	07/03/2025	None		SID, Remuneration, Nomination,	
Dominic Blakemore	01/01/2020	20/12/2022	31/12/2025	None		Audit Chair, Nomination, Risk	
Tsega Gebreyes	01/06/2021	01/06/2021	31/05/2024	None		Audit, Nomination, Risk	
Ashok Vaswani	01/06/2021	01/06/2021	31/05/2024	None		Audit, Nomination, Risk	
William Vereker	03/10/2022	03/10/2022	02/10/2025	None		Remuneration Chair, Risk, Nomination	
Shareholder directors							
Martin Brand[1]	29/01/2021	29/01/2021				Nomination	
Scott Guthrie[2]	01/02/2023	01/02/2023				Nomination	
Directors who stood down from the Board during the year:							
Erin Brown[1]	29/01/2021	29/01/2021			17/03/2023	Nomination	
Douglas Steenland[1]	29/01/2021	29/01/2021			20/09/2023	Nomination	

1 Shareholder directors representing Blackstone.
2 Shareholder director representing Microsoft.

Non-Executive Directors' remuneration table

	FY2023 LSEG Fees £000	**FY2023 Taxable Benefits[1] £000**	**FY2023 Total £000**	FY2022 LSEG Fees £000	FY2022 Taxable Benefits[1] £000	FY2022 Total £000
Don Robert	**625**	**14**	**639**	625	34	659
Dr. Val Rahmani	**95**	**66**	**161**	80	50	130
Professor Kathleen DeRose	**135**	**35**	**170**	110	41	151
Cressida Hogg CBE	**150**	**–**	**150**	150	23	173
Dominic Blakemore	**135**	**–**	**135**	110	16	126
Tsega Gebreyes	**95**	**2**	**97**	80	24	104
Ashok Vaswani	**95**	**72**	**167**	80	44	124
William Vereker[2]	**107**	**–**	**107**	20	–	20
Martin Brand[3]	**–**	**–**	**–**	–	–	–
Scott Guthrie[3]	**–**	**16**	**16**	–	–	–
Erin Brown[3]	**–**	**16**	**16**	–	43	43
Douglas Steenland[3]	**–**	**7**	**7**	–	23	23
Total Non-Executive Directors' fees	**1,437**	**227**	**1,664**	1,255	298	1,553

1 Taxable benefits relate to any travel allowance payments and travelling expenses, including grossed up taxes where applicable.
2 William Vereker was appointed to the Board on 3 October 2022. He was appointed as Chair of the Remuneration Committee on 14 September 2023, taking over from Cressida Hogg.
3 Shareholder directors appointed to the Board on 29 January 2021 in the case of Martin Brand, Doug Steenland and Erin Brown and on 1 February in the case of Scott Guthrie, who do not receive a fee for their roles.

Annual Report on Remuneration continued

Outside appointments

Executive Directors are allowed to accept appointments as Non-Executive Directors of other companies with the prior approval of the Chair or Nomination Committee as appropriate. Approval will only be given where the appointment does not represent a conflict of interest with the Company's activities, the Director has sufficient time to undertake the additional role and where the wider exposure gained will be beneficial to the development of the individual. Executive Directors may retain fees to encourage them to seek out the development opportunities and valuable experience afforded by these appointments and in recognition of the personal responsibility Executives assume in such roles.

Anna Manz was a Non-Executive Director of ITV plc and a member of their Remuneration and Audit and Risk Committees until 31 August 2023. For FY2023 Anna received fees of £52,265 (plus £509 of expenses allowances (taxable benefits)) in connection with this appointment. She was appointed as a Non-Executive Director of AstraZeneca from 1 September 2023. For FY2023 she received fees of £40,000 in connection with this appointment.

Director changes during the year

Departure terms for Anna Manz

Anna Manz resigned as CFO on 25 May 2023. Following publication of the Group's 2023 Full Year Annual Results on 29 February 2024, she stepped down from the Board and left the Group. In line with the Policy in effect at the time of her resignation, her unvested awards will be treated as outlined below:

Unvested Award Type		Grant Date	Vest Date	No. Shares Granted	No. Shares Forfeited
Johnson Matthey 2020 bonus forfeiture (LSEG RSU Buy-out)		10 Aug 2021	10 Aug 2024	2,900	None
Johnson Matthey foregone 2020 LTI grant (LSEG PSU Buy-out)		24 Nov 2020	26 Mar 2024	11,719	11,719
Deferred Bonus (RSUs)	FY2020 Bonus	26 Mar 2021	07 Mar 2024	715	715
	FY2021 Bonus	06 Apr 2022	13 Mar 2025	5,616	5,616
	FY2022 Bonus	17 Mar 2023	18 Mar 2026	5,474	5,474
LSEG LTIP (PSUs)	2021-23 LTIP	26 Mar 2021	26 Mar 2024	27,612	27,612
	2022-24 LTIP	06 Apr 2022	07 Apr 2025	23,325	23,325
	2023-25 LTIP	17 Mar 2023	17 Mar 2026	30,712	30,712
2021 UK SAYE Option		01 Oct 2021	01 Nov 2024	277	277
Total				**108,350**	**105,450**

Notes:
- Under the Policy in effect at time of resignation, minimum shareholding requirements were 300% of salary to be held for two years post-employment. No awards vested prior to her termination date and Anna does not own any shares outright. However, the Johnson Matthey 2020 bonus forfeiture award (LSEG RSU Buy-out) will vest in full on 10 August 2024 and must be held for two years post Anna's termination date.
- All forfeited awards lapsed on Anna's resignation date.

Anna continued to receive her contractual salary, pension allowance and benefits until her termination date and was and is not eligible to receive any of the following:
- 2024 salary increase
- 2023 Performance Year Annual Bonus
- 2024 Performance Year Annual Bonus
- 2024 long-term incentive award grant

Appointment terms for Michel-Alain Proch

Michel-Alain Proch joined LSEG on 26 February 2024 and was appointed to the Board as CFO on 1 March 2024. Prior to joining LSEG, Michel-Alain was the Group Chief Financial Officer for Publicis Groupe SA and a member of their Management Board.

Michel-Alain will receive a salary of £850,000 and a pension cash allowance of 10% of salary, along with other benefits offered to the wider workforce in the UK. He will also be eligible to participate in the Annual Bonus and Equity Incentive Plan under the Policy in place for 2024. If the proposed Policy is approved, this includes an annual bonus opportunity with a maximum of 200% salary and a maximum long-term incentive grant of 400% of salary. Michel-Alain forfeited various incentive awards which were inflight at the time of his leaving Publicis Groupe SA; LSEG has agreed to compensate for the forfeited amounts partly through an enhancement to Michel-Alain's FY24 bonus opportunity. The combined regular FY24 bonus (based on a pro-rated opportunity for the time served over FY24) plus the compensatory amount will mean that his overall FY24 bonus opportunity will be equal to 200% of his salary.

Michel-Alain will also be granted awards to compensate for remuneration forfeited at Publicis Groupe SA as follows:
- Publicis Groupe's FY2023 Annual Bonus: LSEG will pay a cash amount equivalent to the evidenced forfeited amount, up to a maximum of £657,000. This will be paid at the earliest practical pay date.
- Publicis Groupe 2021 LTIP (vesting date of March 2024): Given the proximity of the vesting date with Michel-Alain's start date at LSEG, the Group will replace this with a cash buy-out award reflecting the actual outcome of the Publicis Groupe 2021 LTIP award. The cash amount is subject to evidence of forfeiture and will be payable in the first applicable payroll following publication of the award outcome for the forfeited award (expected to be late April 2024).
- Publicis Groupe 2022 LTIP (vesting date of March 2025): Subject to evidence of forfeiture, LSEG will grant a replacement PSU award with a grant value equal to the face value of the forfeited award. The PSU award will vest as soon as practicable following Publicis Groupe's formal confirmation of, and the number of shares that vest will reflect, the performance outcome of the forfeited award.
- Publicis Groupe 2023 LTIP (vesting date of March 2026): Subject to evidence of forfeiture, LSEG will grant a replacement time-based RSU award vesting on the original timeline, with a grant value of 60% of the face value of the forfeited award; vesting will not be subject to performance conditions.

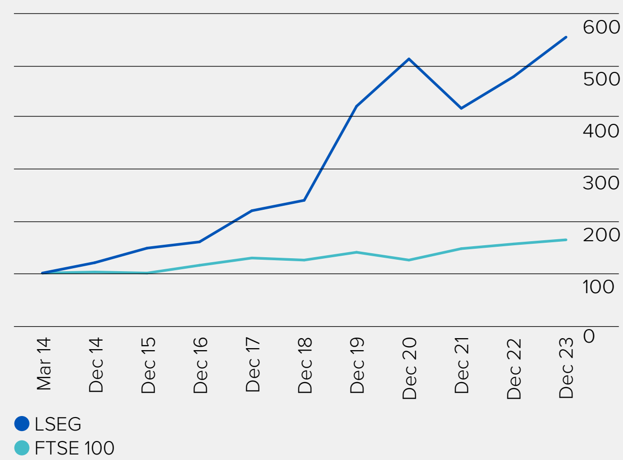
Given Michel-Alain will be relocating from Paris to London to take on the CFO role, LSEG will provide immigration, relocation and tax/filing support in accordance with LSEG's usual practices and approved Policy.

Alignment between pay and performance

Total Shareholder Return (TSR) performance

The following graph shows, for the financial period ended 31 December 2023 and for each of the previous 10 financial periods, the TSR on a holding of the Company's ordinary shares of the same kind and number as those by reference to which the FTSE 100 is calculated. The TSR graph represents the value, at 31 December 2023, of £100 invested in LSEG plc on 31 March 2014, compared with the value of £100 invested in the FTSE 100 Index over the same period. The FTSE 100 Index has been chosen for the purposes of this graph as it is widely used and understood, and LSEG plc is a constituent of the index.

Total shareholder return



Historic levels of CEO pay

Period ended: (12 months unless otherwise stated)	CEO	CEO Single total figure of remuneration (£000)	Annual bonus payout against maximum opportunity %	Long-term incentive vesting rates against maximum opportunity %
31 December 2023	David Schwimmer	5,127	70%	60%
31 December 2022	David Schwimmer	4,854	64%	82%
31 December 2021	David Schwimmer	6,847	72%	100%
31 December 2020	David Schwimmer	6,479	76%	100%
31 December 2019	David Schwimmer	2,456	75%	–[3]
31 December 2018	David Schwimmer[1]	2,153	76%	–[3]
29 November 2017	Xavier Rolet[2]	5,799	79%	100%
31 December 2016	Xavier Rolet	6,880	91%	91%
31 December 2015	Xavier Rolet	6,526	95%	94%
9 months ended 31 December 2014	Xavier Rolet	4,587	89%	50%
31 March 2014	Xavier Rolet	6,383	93%	100%

1 Appointed as CEO on 1 August 2018.
2 Stepped down from the Board on 29 November 2017; data therefore represents 11-month figures.
3 Awards vesting in 2019 and 2020 vested at 89.6% and 100% respectively; these grants were not applicable to David Schwimmer.

Annual Report on Remuneration continued

CEO to employee pay ratio

Paying our people fairly relative to their role, skills, experience and performance is central to our approach to remuneration, and our reward framework and policies support us in doing this. The Committee consider pay ratios as a useful reference point to inform pay decisions, but also take into account a number of other internal and external factors when determining executive pay outcomes, including:

— our reward framework which establishes the compensation structure, elements and leverage for each career stage in the organisation, providing the Committee with oversight of workforce remuneration;
— the Group's financial and strategic performance, including consideration of risk;
— each individual's performance, including conduct and behaviour, against personal objectives;
— external market surveys; and
— wider context and the views of shareholders and investor bodies.

The table below shows the ratios of the CEO single total figure of remuneration (as disclosed on page 137) to the total pay and benefits of UK people at the 25th, 50th and 75th percentile.

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2023	C	61	46	34
2022	C	61	40	31
2021	C	97	63	49
2020	C	93	67	49
2019	C	31	21	19

The Committee has reviewed the ratios and pay data for the individuals identified at each of the relevant quartiles and believe they are a fair reflection of the Group's wider pay policies. The remuneration received by each of the individuals is in line with our reward framework. Executive Directors' and other senior managers' remuneration include a greater proportion of performance-related pay when compared to the identified people. The Committee considers this is essential to differentiate levels of responsibility and align pay to sustainable long-term performance and shareholders' interests.

As a significant proportion of the CEO's remuneration is linked to performance and share price over the longer term, it is expected that annual changes in the pay ratio will be significantly influenced by LTIP outcomes each year and will fluctuate accordingly.

Notes to the calculation:

— We have chosen to use Option C in the regulations to determine the pay ratios. The best equivalents for the UK individuals at the 25th, 50th and 75th percentiles were determined using the hourly rate from our additional gender pay disclosure. This option leverages the comprehensive analysis we have completed as part of our UK gender pay gap reporting exercise. It comprises 95% of the UK population (from the entities with 250 or more employees) and all compensation awards in the financial year to ensure that the best equivalents determined are a fair and true representation of workforce pay at the relevant percentiles. Further information on our additional gender pay disclosure is provided in our Gender Pay Report which is available at: www.lseg.com.
— The 2023 total pay and benefits of the identified people was determined based on data as at 31 December 2023.
— The 2023 total pay and benefits for the 25th, 50th and 75th percentile people are as follows: £84,375, £111,358, £152,769.
— The 2023 base salary for the 25th, 50th and 75th percentile people are as follows: £65,410, £90,000, £109,819.

Percentage change in remuneration of all Directors and our people

The table below shows the percentage year-on-year change in salary, benefits and annual bonus for each Executive Director and Non-Executive Director compared to the global average remuneration of our employees. Where appropriate, amounts have been annualised to provide a like-for-like comparison. The 2020/2021 year-on-year reduction in benefits costs for our Non-Executive Directors was largely due to the decrease in travel-related expenses during the Covid-19 pandemic. The 2021 year-on-year reduction in the benefits and bonus for our employees was reflective of the newly combined company following the Refinitiv transaction and a change in the geographic mix of our employee population. The 2022 year-on-year increase in benefits costs for our Non-Executive Directors was due to the level of global travel returning to pre-pandemic levels, meaning those based in the US travelled to the UK several times during the year, incurring both intercontinental travel fees and travel expenses; a Board meeting was also held in New York in June. The 2023 year-on-year increase in benefits cost for the CEO was largely due to tax filing and immigration expenses incurred during the year.

	2023			2022			2021			2020		
	Salary/ fees	**Benefits**	**Annual Bonus**	Salary/ fees	Benefits	Annual Bonus	Salary/ fees	Benefits	Annual Bonus	Salary/ fees	Benefits	Annual Bonus
Executive Directors[1]												
David Schwimmer	**0%**	**63%**	**10%**	2%	-14%	-12%	24%	-23%	19%	2%	-11%	5%
Anna Manz	**15%**	**3%**	**–**	0%	27%	-15%	–	–	–	–	–	–
Non-Executive Directors[2]												
Don Robert	**0%**	**-58%**	**–**	19%	584%	–	0%	-85%	–	0%	-30%	–
Dr. Val Rahmani	**19%**	**31%**	**–**	0%	1093%	–	0%	-73%	–	7%	-67%	–
Professor Kathleen DeRose[3]	**23%**	**-16%**	**–**	0%	640%	–	38%	-44%	–	7%	-74%	–
Cressida Hogg MBE[4, 11]	**0%**	**–**	**–**	39%	–	–	35%	–	–	7%	0%	–
Dominic Blakemore	**23%**	**–**	**–**	0%	–	–	9%	–	–	–	–	–
Tsega Gebreyes[5]	**19%**	**-94%**	**–**	0%	–	–	–	–	–	–	–	–
Ashok Vaswani[5]	**19%**	**65%**	**–**	0%	–	–	–	–	–	–	–	–
William Vereker[6, 11]	**34%**	**–**	**–**	–	–	–	–	–	–	–	–	–
Martin Brand[7]	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
Scott Guthrie[8]	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
Directors who stood down from the Board during the year:												
Erin Brown[9]	**–**	**-64%**	**–**	–	770%	–	–	–	–	–	–	–
Douglas Steenland[10]	**–**	**-71%**	**–**	–	352%	–	–	–	–	–	–	–
Average pay of our employees	**5%**	**4%**	**16%**	14%	17%	-15%	-29%	-37%	-47%	3%	10%	4%

1 Calculated using data from the single total figure of remuneration table on page 137.
2 Calculated using data from the Non-Executive Directors' remuneration table on page 145.
3 Kathleen DeRose was appointed as Chair of the Risk Committee on 1 January 2021.
4 Cressida Hogg was appointed as Senior Independent Director on 6 August 2021.
5 Appointed to the Board on 1 June 2021.
6 Appointed to the Board on 3 October 2022.
7 Shareholder directors, who do not receive a fee for their role.
8 Appointed to the Board on 1 February 2023 in connection with the strategic partnership with Microsoft and does not receive a fee for their role.
9 Erin Brown stepped down from the Board on 17 March 2023.
10 Douglas Steenland stepped down from the Board on 20 September 2023.
11 William Vereker was appointed as Chair of the Remuneration Committee on 14 September 2023, taking over from Cressida Hogg.

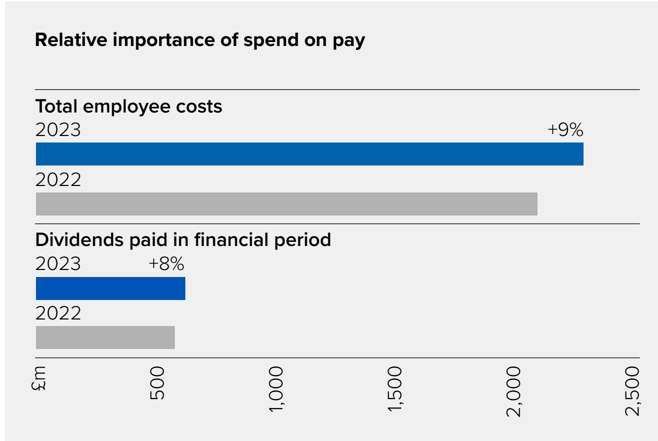
Annual Report on Remuneration continued

Relative importance of spend on pay

The table below shows the relative FY2023 versus FY2022 expenditure of the Group on Dividends versus Total Employee Costs. These figures are underpinned by amounts from the Notes to the Financial Statements at the back of this report.

Year-on-year increases (%)	FY2023	FY2022	Annual Increase
Dividends Paid In Financial Period	**£611m**	£567m	+8%
Total Employee Costs	**£2,242m**	£2,054m*	+9%

* including underlying and non-underlying from continuing operations only.



Statement of Directors' shareholdings and share interests as at 31 December 2023

All Directors are subject to a Minimum Shareholding Requirement (MSR), as set out in the Remuneration Policy. Any Executive Director who steps down from the Board continues to be subject to a MSR for two years post-employment. Current shareholdings are summarised in the following table:

	Shares held	Options/Awards held					
	Owned outright	Unvested and subject to performance conditions	Unvested and subject to continued employment[1]	Vested but not exercised	Requirement (% salary/fee)	Shareholding as at 31 December 2023 (% salary/ fee)[2,4]	Requirement met[3]
Executive Directors							
David Schwimmer	81,396	119,315	29,475	–	400	898%	Yes
Anna Manz	–	–	3,177	–	300	–	
Non-Executive Directors							
Don Robert	10,000	–	–	–	100	148%	Yes
Val Rahmani	1,429	–	–	–	100	140%	Yes
Kathleen DeRose	1,500	–	–	–	100	146%	Yes
Cressida Hogg CBE[5]	1,150	–	–	–	100	71%	
Dominic Blakemore	1,611	–	–	–	100	157%	Yes
Martin Brand[6]	–	–	–	–	–	N/A	N/A
Tsega Gebreyes	1,200	–	–	–	100	117%	Yes
Ashok Vaswani[7]	581	–	–	–	100	57%	
William Vereker[8]	–	–	–	–	100	–	
Scott Guthrie[6]	–	–	–	–	–	N/A	N/A
Directors who stood down from the Board during the year:							
Erin Brown[6]	–	–	–	–	–	N/A	N/A
Douglas Steenland[6]	–	–	–	–	–	N/A	N/A

1 Refers to Deferred Bonus Plan and SAYE.
2 Includes shares held outright plus, on a "net of expected taxes" basis, conditional share awards granted under the DBP that are unvested and subject to continued employment.
3 MSR required to be reached within five years of appointment (percentage of base salary) for Executive Directors and within three years (percentage of basic annual fees) for Non-Executive Directors.
4 Based on a share price of £92.74 (being the closing share price – MMQ – on 29 December 2023).
5 Cressida Hogg's base fee and corresponding shareholding requirement increased significantly upon her appointment to Senior Independent Director in April 2021. She will be required to meet her new shareholding requirement by April 2024.
6 MSR does not apply as are not paid a fee for their service.
7 Has three years from date of appointment on 1 June 2021 to achieve MSR.
8 Has three years from date of appointment on 3 October 2022 to achieve MSR.

Note: There have been no further changes in these interests between 31 December 2023 and 28 February 2024.

Directors' interests in ordinary shares – beneficial, family and any connected persons

	Ordinary shares held[1]		Options/Awards with performance conditions[2]		Options/Awards without performance conditions[3,4]		Total Interests	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Executive Directors								
David Schwimmer	**81,396**	61,762	**119,315**	111,018	**29,475**	29,374	**230,186**	202,154
Anna Manz[4]	**–**	–	**–**	62,656	**3,177**	9,508	**3,177**	72,164
Non-Executive Directors								
Don Robert	**10,000**	10,000	**–**	–	**–**	–	**10,000**	10,000
Val Rahmani	**1,429**	1,429	**–**	–	**–**	–	**1,429**	1,429
Kathleen DeRose	**1,500**	1,500	**–**	–	**–**	–	**1,500**	1,500
Cressida Hogg CBE	**1,150**	1,150	**–**	–	**–**	–	**1,150**	1,150
Dominic Blakemore	**1,611**	928	**–**	–	**–**	–	**1,611**	928
Martin Brand	**–**	–	**–**	–	**–**	–	**–**	–
Tsega Gebreyes	**1,200**	1,200	**–**	–	**–**	–	**1,200**	1,200
Ashok Vaswani	**581**	–	**–**	–	**–**	–	**581**	–
William Vereker	**–**	–	**–**	–	**–**	–	**–**	–
Scott Guthrie	**623**	–	**–**	–	**–**	–	**623**	–
Directors who stood down from the Board during the year:								
Erin Brown	**–**	–	**–**	–	**–**	–	**–**	–
Douglas Steenland	**–**	–	**–**	–	**–**	–	**–**	–

1 Ordinary shares include both ordinary shares listed on the London Stock Exchange and American Depositary Receipts (ADRs) representing ordinary shares (at a ratio of 1 ordinary share (LSEG) : 4 ADR (LNSTY)).
2 LTIP performance shares are structured as nil-cost options prior to 2021, since 2021 awards were granted as conditional awards.
3 Unvested awards in the Deferred Bonus Plan and share options granted under SAYE.
4 Deferred Bonus Plan shares are structured as nil-cost options, prior to 2021. Since 2021 awards were granted as conditional awards. All subject to continued employment and malus provisions.

Note: There have been no further changes in these interests between 31 December 2023 and 28 February 2024.

Annual Report on Remuneration continued

Long Term Incentive Plan table

The Long Term Incentive Plan 2014 has one element applicable only to Executive Directors, which is a two-year holding period post vesting.

Awards of Performance shares are granted in the form of conditional awards since 2021, prior awards were granted as nil-cost options.

Awards granted from 2020 under the existing Policy are dependent on an adjusted EPS growth target for 60% of the award, with the other 40% dependent on Relative TSR performance. Details of performance conditions are set out on page 142.

The table below sets out the Executive Directors' Long Term Incentive Plan awards (including the release (exercise) of vested shares in FY2023), as at 31 December 2023:

			Number of shares											
	Date of award	**Price at award date £**	**At start of year**	**Award during the year**	**Vested during year**	**Lapsed during year**	**At end of year**	**Vesting date**	**Price at vesting date £**	**Value at vesting date £**	**Exercise date**	**Price at exercise date £**	**Value at exercise date £**	**Comment**
David Schwimmer	22/04/2020	73.50	32,653	–	26,854	5,799	–	22/04/2023	80.84	2,170,877	–	–	–	FY2023 Actual
	26/03/2021	70.62	42,480	–	–	–	42,480	26/03/2024	**86.34**	**2,200,634**	–	–	–	**FY2024 Estimate**[1]
	06/04/2022	83.60	35,885	–	–	–	35,885	07/04/2025	–	–	–	–	–	
	17/03/2023	73.26	–	40,950	–	–	40,950	17/03/2026	–	–	–	–	–	
			111,018	40,950	26,854	5,799	119,315			2,170,877				FY2023 Actual
										2,200,634				**FY2024 Estimate**[1]
Anna Manz	24/11/2020	78.84	11,719	–	–	11,719	–	26/03/2024	–	–	–	–	–	FY2023 Actual
	26/03/2021	70.62	27,612	–	–	27,612	–	26/03/2024	–	–	–	–	–	FY2023 Actual
	06/04/2022	83.60	23,325	–	–	23,325	–	07/04/2025	–	–	–	–	–	FY2023 Actual
	17/03/2023	73.26	–	30,712	–	30,712	–	17/03/2026	–	–	–	–	–	FY2023 Actual
			62,656	30,712	–	93,368	–							FY2023 Actual

1 FY2024 Estimate: Average share price over the period from 1 October 2023 to 31 December 2023 with vesting forecast at 60%.

All estimates are shown separately in bold. They will be fully disclosed in next year's Annual Report on Remuneration.

Remuneration Committee – meetings

During the financial period ending 31 December 2023, the Committee held four scheduled meetings. Here is a summary of the items they discussed:

	Routine	Non-Routine
February 2023	— FY2022 Performance and Bonus approval — FY2023 Bonus Design — FY2023 LTIP grants and anticipated vesting of previous LTIP awards — CEO and Group Executive performance and pay review — FY2022 Directors' Remuneration Report	— Shareholder consultation feedback — 2023 Remuneration Policy review
June 2023	— FY2023 Performance and Bonus update — Governance update, including shareholder feedback on FY2022 Directors' Remuneration Report	— 2024 Remuneration Policy & Reward Framework review — Malus & clawback
September 2023		— 2024 Remuneration Policy & Reward Framework review — Executive Committee member update
December 2023	— FY2024 Bonus Design — Share plans vesting update — Executive Committee performance and pay review	— 2024 Remuneration Policy – Shareholder consultation update — CFO appointment
February 2024 Meetings which took place during FY2024 will be repeated in next year's report	— FY2023 Performance and Bonus approval — FY2024 Bonus Design — Performance and determination of CEO and Group Executives' remuneration — FY2024 LTIP grants and anticipated vesting of previous LTIP awards — FY2023 Directors' Remuneration Report	— 2024 Remuneration Policy – Shareholder consultation feedback — Approval of EIP rules

To assist the Committee, the results of market surveys are made available. Where appropriate, the Committee invites the views of the Chief Executive Officer, Chief Financial Officer, Chief People Officer and the Chief Risk Officer via the Risk Committee. None of these individuals nor the Chair participated in any discussion relating to their own remuneration.

Statement of shareholder voting

The table below sets out the results of the advisory vote on the Directors' Remuneration Report and the binding vote on the Remuneration Policy Report at the 2023 AGM.

	Votes for		Votes against			
	Number	%	Number	%	Votes cast	Votes withheld
Remuneration Policy Report (2023 AGM)	422,134,892	97.49	10,868,858	2.51	433,003,750	2,462,484
Annual Report on Remuneration (2023 AGM)	426,935,909	98.60	6,068,811	1.40	433,004,720	2,461,514

Advisers

The Remuneration Committee continues to be mindful of recommendations from key stakeholders, including institutional investor bodies. The Committee consults with major shareholders on any key decisions taken. Willis Towers Watson were appointed as independent remuneration consultants to the Committee following a competitive tender process in 2020. During the year, Willis Towers Watson received £202,420 (excluding VAT) based on actual time spent for their services to the Committee.

Ellason were appointed as an additional independent adviser by the Committee in 2023 to support with the review of LSEG's Remuneration Policy. During the year, Ellason received £91,160 (excluding VAT) based on actual time spent for their services to the Committee.

Willis Towers Watson and Ellason are both members of the Remuneration Consultants Group and, as such, voluntarily operate under the code of conduct in relation to executive remuneration consulting in the UK. The Committee is satisfied that their advice was independent and objective.

Signed on behalf of the Board of Directors

William Vereker
Chair of the Remuneration Committee
28 February 2024

Directors' Report

The Directors of the Company are pleased to present their Annual Report to shareholders, together with the financial statements for the year ended 31 December 2023 with comparatives for the year ended 31 December 2022.

This report has been prepared in accordance with requirements outlined within The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and forms part of the management report as required under Disclosure Guidance and Transparency Rule (DTR) 4. This section, together with the Strategic Report and other sections of the Annual Report as set out in the table below, fulfils the requirements of the Directors' Report. For further information on matters of strategic importance, please refer to the Strategic Report.

Index to Directors' Report and other disclosures

Information required to be disclosed by LR 9.8.4 R (starting on the page indicated)

Listing Rule 9.8.4 R cross-reference table

Strategic Report

LSEG presents a fair review of the Group during the financial year in the Strategic Report set out on pages 02 to 89, as required by the Companies Act 2006. The Strategic Report, which includes a review of the Group's business areas, a financial review and the principal risks and uncertainties of the Company, was approved by the Board on 28 February 2024 and is incorporated into this Directors' Report by reference.

Results

The Group made a profit before taxation from continuing operations, before non-underlying items for the year, of £2,692 million (2022: £2,568 million). After taking into account amortisation of purchased intangible assets and non-underlying items, the profit of the Group before taxation for the year from continuing operations was £1,195 million (2022: £1,241 million). Profit after taxation from continuing operations for the year was £948 million (2022: £979 million).

Dividends

The Directors are recommending a final dividend for the year of 79.3 pence (2022: 75.3 pence) per share which is expected to be paid on 22 May 2024 to shareholders on the register on 19 April 2024. Together with the interim dividend of 35.7 pence (2022: 31.7 pence) per share paid on 20 September 2023, this produces a total dividend for the period of 115.0 pence (2022: 107.0 pence) per share estimated to amount to £611 million (2022: £594 million). For 2023, the interim dividend was calculated as one-third of the prior full-year dividend. Please note that as announced as part of LSEG's Capital Markets Day on 16 and 17 November 2023, LSEG introduced a simplified dividend policy which takes effect from 2024. More information on this can be found on page 76 and via the Investor Relations segment of our corporate website: https://www.lseg.com/en/investor-relations.

A standard dividend waiver agreement is in place for the employee benefit trust (EBT). Further information on the EBT can be found in the share capital notes on page 230.

Share capital

As at 31 December 2023, the Company had 548,841,716 ordinary shares made up of: (i) 520,585,072 voting ordinary shares of $6^{79/86}$ pence each (excluding treasury shares) (94.85%), which carry one vote each; (ii) 20,623,911 limited-voting ordinary shares of $6^{79/86}$ pence each (3.76%), which carry one-tenth of a vote each; and (iii) 7,632,733 ordinary shares held in treasury (1.39%). The total number of voting rights in LSEG on 31 December 2023 was 522,647,463. More information on the Company's share capital can be found in note 18 on page 230.

During the year to 31 December 2023, the Company returned capital to shareholders via its on-market share buyback programme and a directed buyback. As a result of the 2023 share buyback purchases, earnings per share increased by 1.8 pence.

The £750 million on-market share buyback programme launched in 2022 and was completed in 2023. This saw LSEG purchase £750 million of its voting ordinary shares at an average price of £78.64. These purchases were phased over three tranches over a period of 12 months, with the first tranche having commenced on 5 August 2022 and the third and final tranche concluding on 10 July 2023. Please see the below section on Authority to Purchase Shares for a summary of the Company's share buyback programme.

The September 2023 directed buyback programme was completed after LSEG agreed to a limited variation of the lock-up arrangements contained in the Relationship Agreement. This enabled LSEG to make an off-market purchase of £750 million worth of limited-voting ordinary shares from the Consortium as part of a share placing by the Consortium. Please see page 76 for a more in-depth explanation of the scheme and the below section on Authority to Purchase Shares for a summary of the programme.

On 12 October 2023, 21 million limited-voting ordinary shares of $6^{79/86}$ pence each held by the Consortium were converted into voting ordinary shares of $6^{79/86}$ pence each on a one-for-one basis. These converted ordinary shares were admitted to trading on 12 October 2023.

The Company issued 98,158 new ordinary shares during the year.

As at 28 February 2024, the total number of voting rights in the Company was 522,647,463. The figure 522,647,463 may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

Share rights

The rights and obligations attached to the Company's ordinary shares are set out in the Company's Articles of Association, copies of which can be obtained from Companies House in the UK or by writing to the Group Company Secretary. The rights and obligations attached to the limited-voting ordinary shares issued in connection with the acquisition of Refinitiv on 29 January 2021 are available on the LSEG website and in the Articles of Association.

No shareholder shall be entitled to vote at a general meeting, either in person or by proxy, in respect of any share held by him or her unless all monies presently payable by him or her in respect of that share have been paid. In addition, no shareholder shall be entitled to vote, either in person or by proxy, if he or she has been served with a notice under Section 793 of the Companies Act 2006 (concerning interests in those shares) and has failed to supply the Company with the requisite information.

As a result of the Company's acquisition of Refinitiv, a Relationship Agreement is in effect. Further information on the principal terms of the Relationship Agreement can be found on the LSEG website.

Other than restrictions considered to be standard for a UK listed company (for example, restrictions on partly paid certificated shares), there are no limitations on the holding, transfer or voting rights of ordinary shares in the Company, all of which are governed and regulated by the Company's Articles of Association and applicable legislation and regulation.

The Company is not aware of any other agreements between holders of shares that may result in restrictions on the transfer of shares or on voting rights.

Corporate Governance Statement

The Company has complied throughout the year with the principles of the 2018 UK Corporate Governance Code (the "Code"), which is publicly available on the Financial Reporting Council website (www.frc.org.uk). Further information on compliance with the Code can be found on page 105.

The Corporate Governance Statement sets out how the Company complies with the Code and includes a description of the main features of our internal control and risk management arrangements in relation to the financial reporting process, this is set out on pages 103 and 104. The information required by DTR 7.2 can be found in the Directors' Report on page 154. Further information regarding the composition and operation of the Board and its Committees, including the Board Diversity Policy, can be found on pages 94 to 98.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a general meeting of the shareholders. The Company's Articles of Association contain provisions relating to the appointment and removal of Directors. The Articles of Association are available on the Company's website and can also be obtained from Companies House in the UK.

More information on the Board appointment process can be found in the Report of the Nomination Committee on pages 106 to 108.

Authority to issue shares

Subject to the provisions of the Companies Act 2006 and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine.

Authority to purchase shares

The authority for the Company to purchase in the market up to 55,364,719 of its ordinary shares (representing 10% of the issued share capital of the Company as at the latest practicable date before publication of the Notice of the Company's last AGM) granted at the Company's last AGM, expires on the date of the forthcoming AGM.

The Company utilised the authority it obtained at its 2022 AGM to complete its on-market share buyback programme during 2023. The programme was announced on 5 August 2022 and the Company purchased £750 million worth of voting ordinary shares. The buyback was phased over a period of 12 months in three tranches with the first tranche commencing on 5 August 2022 and completing on 5 October 2022, the second tranche commencing on 1 December 2022 and completing on 14 March 2023 and the third tranche commencing on 27 March 2023 and completing on 10 July 2023. The arrangements entered into with the Consortium Shareholders to enable them to participate in the buyback, as described in further detail in the announcements made on 5 August 2022, 7 October 2022 and 20 March 2023 constituted small related party transactions under the Listing Rules.

Shareholders will be asked to give a similar authority to purchase shares at the forthcoming AGM.

Upon completion of the above on-market share buyback programme on 10 July 2023, 9,536,985 voting ordinary shares (nominal value of $6^{79/86}$ pence) had been purchased by the Company at an average purchase price of £78.64 per voting ordinary share for the total consideration of £750 million. As at 31 December 2023, 7,632,733 of these ordinary shares were held in treasury, representing 1.39% of the Company's issued ordinary share capital (comprising ordinary shares and limited-voting ordinary shares). 1,904,252 ordinary shares purchased as part of the programme were initially held as treasury shares but were subsequently transferred to the Employee Benefit Trust on 2 March 2023 to satisfy awards under the LSEG share plans due to vest between 1 March 2023 and 31 March 2024.

In addition, the Company participated in a directed buyback programme during 2023 following the passing of a special resolution at the previous AGM to give the Company authority to make off-market purchases of shares from the Consortium.

To facilitate the programme, on 6 September 2023, LSEG agreed to a limited variation of the lock-up arrangements contained in the Relationship Agreement which was entered into on completion of the Refinitiv acquisition. The Consortium was therefore permitted to dispose of up to a further 38 million shares on a one-off basis by means of a placing, sale of call options and directed buyback. On 11 September 2023, LSEG completed an off-market purchase of 9,500,466 limited-voting ordinary shares at a purchase price of £78.94 per limited-voting ordinary share from the Consortium. The total consideration of the off-market purchase was £750 million, in line with the Company's expectations in its notice of AGM on 24 March 2023. For more information on the directed buyback, please see page 76 which falls within the Section 172(1) Statement.

The authority given by shareholders at the 2023 AGM for LSEG to make off-market purchases of its own shares pursuant to the directed buyback contract entered into between LSEG and the Consortium shareholders on 11 May 2023 will expire at the 2024 AGM. As such, shareholders will be asked to replace the authority at the forthcoming AGM. For further details on the terms of the directed buyback contract, please see LSEG's notice of annual general meeting circulated on 24 March 2023 and available on LSEG's website.

Authority to allot shares

The authority conferred on the Directors at last year's AGM to allot shares in the Company up to a maximum nominal amount of £12,768,220 (representing 33.3% of the issued share capital of the Company (excluding treasury shares) as at the latest practicable date before publication of the Notice of the Company's last AGM) or, in connection with a pre-emptive offer to existing shareholders by way of a rights issue, up to a maximum nominal amount of £25,536,440 (representing 66.6% of the issued share capital of the Company (excluding treasury shares) as at the latest practicable date before publication of the Notice of the Company's last AGM), expires on the date of the forthcoming AGM. Shareholders will be asked to give a similar authority to allot shares at the forthcoming AGM.

Directors' interests

Directors' interests in the shares of the Company as at 31 December 2023, according to the register maintained under the Companies Act 2006, are set out in the Directors' Remuneration Report on page 151. No company in the Group was, during or at the end of the year, party to any contract of significance in which any Director was materially interested.

Directors' Indemnity

Details of qualifying third-party indemnity provisions (as defined by Section 3 of the Companies Act 2006) in force during the course of the year ended 31 December 2023 can be found on page 103. Such qualifying third-party indemnity provisions remain in force as at the date of approving this Directors' Report.

Employees

Information on the Group's employees including the Group's approach to human rights and diversity, the outcomes relating to the Group's employee engagement survey and further examples of employee engagement can be found in the Sustainability section starting on page 58. Information on the Group's share schemes is provided in the Directors' Remuneration Report on page 124.

The Group welcomes and gives full and fair consideration to applications from diverse candidates, including persons with visible and non-visible disabilities. As with all areas of inclusion, our focus is on providing the right tools to support people to be successful in the workplace. The Group assists employees who have a disability with training, career development and progression opportunities and, in a situation where an existing employee develops a disability, our approach is to provide continuing support and training wherever possible. Where changes to working practices or structure affect employees, they are consulted and given the appropriate assistance.

LSEG is a Valuable 500 Iconic Leader and as such has made a pledge to ensure we:
- drive towards removing bias related to disability hiring and provide the necessary tools for people with a disability to succeed;
- have inclusive hiring and onboarding practices;
- make subtitles available for all videos we publish;
- create inclusive offices and infrastructure across all our locations, relying on consistent guidelines;
- have a Company-wide leadership pledge and commit to support disability; and
- improve physical accessibility for existing locations.

We're committed to providing a safe and inclusive environment for everyone. The LSEG Accessibility Network works in partnership with the Group to make sure commitments are implemented. We recognise key observances such as International Day of Persons with Disabilities and World Mental Health Day to raise awareness, reduce stigma and celebrate the contribution of people with disabilities.

All employees are provided with information on matters of concern to them in their work through regular briefing meetings and internal publications. To inform employees of the economic and financial factors affecting our business, regular updates are posted on our intranet and engagement events are hosted, such as townhall style meetings with members of our Executive Committee, providing a briefing on specific areas of the business. Alongside this, information is cascaded to employees through people leaders, also boosting employee engagement.

Sustainability

As a Group, we recognise that we must use resources in ways that deliver long-term sustainability and profitability for the business and have regard for its impact on the environment. We also take such factors into account in developing our products and services.

Further details of our approach to climate, our targets and progress on environmental matters, as well as methodology and verification can be found in the Sustainability section on pages 58 to 68.

Research and development

LSEG undertakes research and development activities that align with new revenue opportunities in financial services. The research combines significant domain expertise with modern quantitative, data science and cloud engineering practices. The large variety of analytics and data available at LSEG enables research and development to apply current techniques and technologies. Technical expertise features prominently in LSEG research functions, including AI and large language models, quantitative and data driven modelling, machine learning and natural language processing. Research also includes significant expertise in customer experience design and user experience.

Political donations

During the year the Group did not make any direct political donations to EU or non-EU organisations or incur any political expenditure.

It remains the Company's policy not to make direct political donations or to incur direct political expenditure; however, the application of the relevant provisions of the Companies Act 2006 is potentially very broad in nature and, like last year, the Board is seeking shareholder authority to ensure that the Group does not inadvertently breach these provisions as a result of the breadth of its business activities, although the Board has no intention of using this authority. As with previous years the Board is proposing that shareholders pass a resolution at the forthcoming AGM to authorise the Group to:

- make political donations to political parties and independent election candidates not exceeding £100,000 in total;
- make political donations to political organisations other than political parties not exceeding £100,000 in total; and
- incur political expenditure not exceeding £100,000 in total, provided that in any event the aggregate amount of any such donations and expenditure made or incurred by the Group shall not exceed £100,000.

Notwithstanding the Company's policy not to make political donations, we recognise the rights of our employees to participate in the political process. Their rights to do so are governed by the applicable laws in the countries in which we operate. For example, in the US under the Federal Election Campaign Act, eligible employees can establish nonpartisan political action committees known as a '"PAC" that support voluntary employee participation in the political process. Corporate PACs are a common feature of the US political system and operate independently of any political party or candidate.

LSEG US Holdco, Inc. operates a PAC for eligible employees. Consistent with US law, LSEG US Holdco, Inc. pays for the PAC's administrative expenses; providing such support is not considered to be a political donation or expenditure under US law. In accordance with the applicable law, contributions from the PAC are funded entirely by voluntary contributions from eligible employees. All decisions on the amounts and recipients of contributions are directed by a steering committee comprising employees eligible to contribute to the PAC. All PAC receipts and disbursements are publicly disclosed on the FEC's website: https://www.fec.gov/data/committee.

Significant agreements

The following are significant agreements as at 31 December 2023 to which the Company is a party that take effect, alter or terminate upon a change of control of the Company following a takeover bid:

Strategic Initiatives Agreement with Microsoft

As part of the strategic partnership with Microsoft Corporation, certain subsidiaries of the Company are party to a strategic initiatives agreement with Microsoft Ltd (the "Strategic Initiatives Agreement"). Under the Strategic Initiatives Agreement, the parties have agreed to jointly pursue strategic initiatives in relation to LSEG's data architecture, Workspace solution and analytics capabilities, as well as explore the development of digital market infrastructure based on cloud technology. The Strategic Initiatives Agreement includes a provision permitting Microsoft to terminate the agreement in circumstances where the Company comes under the control of an entity that Microsoft are prohibited from dealing with by a sanctioning body, or that is based in a jurisdiction subject to international sanctions.

Relationship Agreement

The Company is party to a Relationship Agreement with York Parent Limited (which is owned by Thomson Reuters Corporation and a consortium of certain investment funds managed by Blackstone Group Inc.), York Holdings II Limited, York Holdings III Limited (each of which are wholly-owned subsidiaries of York Parent Limited) and BCP York Holdings (Delaware) L.P. (which is a holding vehicle for the consortium of investment funds managed by Blackstone Group Inc.). The Relationship Agreement governs the relationship between the parties following completion of the Refinitiv acquisition, including the shareholders' rights to nominate Directors for appointment to the LSEG Board. The Relationship Agreement would terminate in the event of a change of control of LSEG that resulted in these shareholders ceasing to hold, in aggregate, 10% or more of LSEG shares. Further information on the Relationship Agreement can be found on pages 65-70 of the shareholder prospectus dated 9 December 2020 which is available on the LSEG website: www.lseg.com/investor-relations.

Thomson Reuters News Agreement

Certain subsidiaries within the Group are party to an agreement with Reuters News dated 1 October 2018, under which Reuters News provides, for a 30-year term, various categories of general news and financial content, alongside certain accompanying intellectual property licence agreements in relation to the provision of such content (the "Thomson Reuters News Agreement"). The Thomson Reuters News Agreement includes a provision requiring Refinitiv to obtain consent to assign the agreement pursuant to a change in control in certain circumstances, a breach of which could potentially lead to a termination of the agreement.

Facility Agreements

- **Amended 2017 Revolving Credit Facility**
  On 22 November 2023, the amended and restated £1.425 billion syndicated, committed, revolving credit facility agreement was further amended and extended (the "Amended 2017 RCF"). The facility limit was increased to £1.925 billion and the maturity date was extended to 16 December 2027. The facility provides flexible financing capacity for the general corporate purposes of the Group and includes £1.925 billion euro and US dollar swingline facilities as backstop support for commercial paper issuance.

— **2020 Credit Facility**
  The Company has a syndicated, committed $2 billion and £1.075 billion revolving credit facility agreement dated 16 December 2020 (the "2020 Facility"), which came into effect upon the completion of the Refinitiv acquisition. Both the euro and US dollar term loans have been repaid. The revolving facility offers the Group additional flexible financing and is available for the general corporate purposes of the Group. The revolving facility contained two one-year extension options, both of which have been exercised. Consequently, the final maturity date of the revolving credit facility is now 16 December 2027.
— **Terms of Amended 2017 RCF and 2020 Facility**
  The terms of the Amended 2017 RCF and the 2020 Facility are appropriate for an investment grade borrower and each includes change of control provisions which, if triggered, allow the relevant facility agent, upon instructions from the majority lenders, to cancel the facility and declare all outstanding loans under the relevant agreement, together with accrued interest and all other amounts accrued, due and payable. As a result of the market shift away from LIBOR rates, these facilities have transitioned from sterling and US dollar LIBOR reference rates to SONIA and SOFR rates respectively (including an appropriate credit adjustment spread) where applicable.

Notes
— **Euro Medium-Term Notes**
  The Company, together with its subsidiary LSEG Netherlands B.V., has issued to the wholesale fixed income market under its Euro Medium Term Note Programme (the value of which is £4 billion), three €500 million tranches of euro notes due in 2024, 2027 and 2029 and two €700 million tranches of euro notes due in 2026 and 2030. The notes contain a "redemption upon change of control" provision which, if triggered by the combination of a change of control and, within 120 days thereafter, a credit rating downgrade to non-investment grade, allows noteholders to exercise their option to require the Company to redeem the notes and pay any accrued and unpaid interest due.
— **Global Medium-Term Notes**
  The Company, together with its subsidiaries LSEG Netherlands B.V. and LSEGA Financing plc, has issued to the wholesale fixed income market under its Global Medium Term Notes Programme (the value of which is £10 billion) £500 million of sterling notes due in 2030, three €500 million tranches of euro notes due in 2025, 2028 and 2033, $500 million of US dollar notes due in 2024, two $1 billion tranches of US dollar notes due in 2026 and 2028, $1.25 billion of US dollar notes due in 2031 and $750 million of US dollar notes due in 2041. The notes contain a "redemption upon change of control" provision which, if triggered by the combination of a change of control and, within 120 days thereafter, a credit rating downgrade to non-investment grade, allows noteholders to exercise their option to require the Company and/or its subsidiaries to redeem the notes and pay any accrued and unpaid interest due.

Commercial Paper
— The Company issues commercial paper to the debt capital markets from time to time under its £1.5 billion Euro Commercial Paper (ECP) Programme and $2.5 billion US Commercial Paper (USCP) Programme. The programmes provide flexible financing capacity for the general corporate purposes of the Group and are backstopped by the £1.925 billion euro and US dollar swingline facilities available under the Amended 2017 RCF. At 31 December 2023, there were balances outstanding of $937 million under the USCP programme, and €353 million and £165 million under the ECP programme.

Employee Share Plans
The rules of the Company's employee share plans set out the consequences of a change of control of the Company on employees' rights under the plans. Generally, such rights will vest on a change of control and participants will become entitled to acquire shares in the Company (although in certain circumstances the Remuneration Committee has the discretion to defer vesting and to require rights to be exchanged for equivalent rights over the acquiring company's shares). More information on Employee Share Plans can be found in the Directors' Remuneration Report on page 124.

Events since the financial year-end
For further information on events since the reporting date, please see note 25 on page 239.

Employee Benefit Trust
As at 31 December 2023, the trustee of the London Stock Exchange Employee Benefit Trust, which is an independent trustee, held 1,178,957 shares under the terms of the trust for the benefit of employees and former employees of the Company and its subsidiaries. The trust is a discretionary trust and the shares are held to meet employees' entitlements under the Company's share plans. Employees have no voting rights in relation to the unencumbered shares while they are held in trust. The trustee has full discretion to exercise the voting rights attached to the unencumbered shares or to abstain from voting. Shares acquired by employees through the Company's employee share plans rank equally with the ordinary shares in issue and have no special rights.

Branches outside the UK
Certain of the Company's subsidiaries have established branches in a number of different countries in which they operate.

Financial risk management
The use of financial instruments by the Group and the Group's financial risk management have been specifically considered by the Directors and relevant disclosures appear in principal risks and uncertainties, on pages 79 to 88 of this Annual Report and in the notes to the financial statements, on pages 176 to 254 of this Annual Report.

Directors' statement as to disclosure of information to auditors
In accordance with Section 418(2) of the Companies Act 2006, the Directors confirm, in the case of each Director in office at the date the Directors' Report is approved as listed on pages 94 to 97, that:
— so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
— they have taken all the steps that they ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Future developments
The Group's likely future developments can be found in the Market Trends and Our Response section of the Annual Report (pages 08 to 09). This section covers financial, technological and societal trends that are affecting the Group and demonstrates how we are evolving as an organisation to adapt appropriately going forward.

Auditors
As disclosed in last year's Annual Report following an audit tender process in 2022, Deloitte LLP will be appointed as the Group's external auditor for the financial year ended 31 December 2024 subject to shareholder approval at the AGM.

By Order of the Board

Lisa Condron
Group Company Secretary
28 February 2024

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards (IFRSs), and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Group and the Company and of the profit or loss for that year.

In preparing those financial statements, the Directors are required to:
— select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
— present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
— make judgements and accounting estimates that are reasonable and prudent;
— provide additional disclosures when compliance with the specific requirements in IFRSs and in respect of the parent company financial statements, FRS 101, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and the Company's financial position and financial performance;
— in respect of the Group financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
— in respect of the parent Company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
— prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006, other applicable laws and regulations, including the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules. As regards the Group financial statements, the Directors are also responsible for safeguarding the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Overview and Strategic Report sections of the Annual Report on pages 02 to 89.

In particular, the current economic conditions continue to pose a number of risks and uncertainties for the Group and these are set out in Principal Risks and Uncertainties on pages 79 to 88.

The Financial Risk Management objectives and policies of the Group and the exposure of the Group to capital risk, credit risk, market risk and liquidity risk are discussed on pages 215 to 229. The Group continues to meet Group and individual entity capital requirements and day-to-day liquidity needs through the Group's cash resources and available credit facilities.

The combined total of committed facilities and bonds issued at 31 December 2023 was £12,108 million (2022: £10,699 million).

The Directors have reviewed the Group's forecasts and projections, taking into account reasonably possible changes in trading performance, which show that the Group has sufficient financial resources. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The Group's business activities, together with the factors likely to affect its future development, performance and position and its objectives and policies in managing the financial risks to which it is exposed, and its capital are set out in the Strategic Report on pages 02 to 89.

Each of the Directors, whose names and functions are set out on pages 94 to 97 of this Annual Report confirms that, to the best of their knowledge and belief:
— the Group and the Company financial statements, which have been prepared in accordance with IFRSs give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group taken as a whole;
— the report of the Directors contained in the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that they face; and
— they consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and the Company's performance, business model and strategy

By Order of the Board

Lisa Condron
Group Company Secretary
28 February 2024

Financial Statements

In this section

Key to symbols used in this section

Accounting policy

Significant accounting estimates, assumptions and judgements

Independent Auditor's Report to the members of London Stock Exchange Group plc

Opinion

In our opinion:

— the financial statements of London Stock Exchange Group plc (the 'parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31st December 2023 and of the group's profit for the year then ended;
— the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
— the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
— The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.We have audited the financial statements (see table below) of the parent Company and the Group for the year ended 31 December 2023.

Group	Parent company
Consolidated balance sheet as at 31 December 2023	Balance sheet as at 31 December 2023
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Related notes 1 to 10 to the financial statements including a summary of material accounting policy information.
Consolidated statement of changes in equity for the year then ended	
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 25 to the financial statements, including a summary of material accounting policy information.	
Tables within the Directors' Remuneration Report identified as 'audited'	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

During the course of our independence procedures for the 31 December 2022 year-end audit, it was identified that one non-audit service prohibited under the FRC's Ethical Standard was provided by Deloitte USA[1] during 2023, having been subcontracted from Deloitte LLP in the UK. These services are prohibited as Deloitte USA are also the auditor of the Tradeweb Markets Inc. component.

The service provided to the Group related to tax advice to certain employees. Total fees for this service were £1,641. This service is no longer being provided. As a result of the breach, we performed a further review of Deloitte USA's audit working papers for key judgements and estimates. We also discussed with Deloitte USA their approach to identifying this breach and assessed the service provided to conclude on the extent of the breach.

We considered that the provision of the service did not create a self-review threat as the prohibited service was not provided to the entity being audited by Deloitte USA, Tradeweb Markets Inc., and there was therefore no risk of Deloitte USA reviewing their own work. Appropriate safeguards also existed as the individuals who performed the prohibited services were not part of the Deloitte USA audit engagement team. We informed the Audit Committee following identification in February 2023. We considered this to be a minor breach of the FRC's Ethical Standard; that an objective, reasonable and informed third party would not conclude that our independence was impaired; and that we remain independent of the Group and the parent Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and parent Company's ability to continue to adopt the going concern basis of accounting for a period of twelve months from the date of signing the financial statements included:

— Obtaining an understanding of the Directors' use of the going concern basis of preparation. This included reviewing their going concern assessment and associated underlying forecasts and assumptions and performing inquiries of management and those charged with governance;
— Assessing the appropriateness of key assumptions made in the Group's and parent Company's business plan, by comparing them to historical performance and challenging the achievability of budgeted growth. In assessing the reasonableness of these key assumptions, we considered planned cost and revenue synergies, the trading environment, and the current uncertain geopolitical and economic outlook including the impact of high inflation and increased interest rates, principal risks and appropriate mitigating factors. We performed back-testing by comparing the budget of prior periods to actual results to assess the historical accuracy of the forecasting process;
— Testing the clerical accuracy of the going concern assessment including the data used in stress testing;
— Evaluating the reasonableness of adverse forecasts by benchmarking the stress testing scenario assumptions against external data;
— Evaluating the plausibility of management actions available to mitigate the impact of the reverse stress test by comparing them to our understanding of the Group and parent Company including the ability to refinance debt;

1 Non-audit services were provided by Deloitte Tax LLP. The component auditor is Deloitte & Touche LLP.

— Evaluating the level of liquidity of the Group and parent Company to support ongoing requirements for a period of 12 months from the date of signing the financial statements; and
— Assessing the appropriateness of the going concern disclosures by evaluating the consistency with the going concern assessment and for compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent Company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

In relation to the Group and parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	— We performed an audit of the complete financial information of 8 components and audit procedures on specific balances for a further 15 components and other procedures on the remaining 107 components. — The components where we performed full or specific audit procedures accounted for 92% of absolute pre-tax profit, 95% of Revenue and 99.9% of Total assets. — A component is defined as an entity for which management prepares component financial information that is included in the Group financial statements.
Key audit matters	— Revenue recognition. — Measurement of acquired intangible assets, including goodwill. — Capitalisation and subsequent impairment of internally developed software. — Accounting for acquisitions.
Materiality	— Overall Group materiality is £59 million which represents 5% of pre-tax profit from continuing operations, calculated by adjusting for certain non-underlying items we considered to be non-recurring items, relating to: investment remeasurement gain of (£69 million); write-off of assets of £34 million; one-off impairment of intangible and other assets of £32 million; separation and integration costs of (£9 million); and retention costs of £8 million.

An overview of the scope of the parent Company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 130 reporting components of the Group (2022: 126 reporting components), we selected 23 components.

Full scope components – Of the 23 components selected (2022: 19 components), we performed an audit of the complete financial information of 8 components (2022: 8 components) which were selected based on their size or risk characteristics.

Specific scope components – For the remaining 15 components (2022: 11 components), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The primary audit team is defined as the EY London audit team responsible for issuing the opinion on the Group and parent Company financial statements and coordinating the Group audit. The component team is defined as an audit team, who, at the request of the primary audit team, performs work on the financial information related to a component for the Group audit.

5 of the full scope components and all of the specific scope components are audited by the primary audit team, with the remaining 3 full components audited by component teams as set out in the table below:

Component	Headquartered location	Scope	Auditor
LSEG US Holdco Inc.*	United States of America	Full	EY New York
Tradeweb Markets Inc	United States of America	Full	Deloitte USA
LCH S.A.	France	Full	EY France

* Some specific accounts within LSEG US Holdco Inc. were audited by the primary audit team.

The table below reflects the proportion of the Group that is included within the full scope and specific scope components. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Significant account	Full scope		Specific scope		Other procedures		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Group's absolute pre-tax profit	**69%**	79%	**23%**	14%	**8%**	7%	**100%**	100%
Group's revenue	**92%**	93%	**3%**	3%	**5%**	4%	**100%**	100%
Group's total assets	**99.7%**	99.8%	**0.2%**	0.1%	**0.1%**	0.1%	**100%**	100%

Of the remaining 107 components that together represent 8% of the Group's absolute pre-tax profit, none are individually greater than 3% of the Group's absolute pre-tax profit. The absolute pre-tax profit has been used within our assessment, as a result of there being loss making components within the Group. For these components, we performed other procedures, including analytical reviews, testing of Group entity level controls, testing of consolidation journals and intercompany eliminations, to respond to any potential risks of material misstatement to the Group financial statements.

Changes from the prior year

In the current year, there has been an increase in the number of reporting components, as well as the number of in-scope components for the Group audit. This is as a result of newly acquired entities being included and changes in balances reported in components in the normal course of business. Audit procedures have been designed and updated to reflect this change in scoping approach.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms and Deloitte USA operating under our instruction. For the 3 full scope components, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The Group audit team interacted regularly with the component teams during various stages of the audit and were responsible for the scope and direction of the audit process. Physical site visits were undertaken by the Senior Statutory Auditor and other senior members of the primary audit team during the current year's audit cycle to the component teams in United States of America and India. These physical site visits and regular virtual meetings involved discussing and challenging the audit approach with the component team and any findings arising from their work, meeting with local management, attending planning and closing meetings and reviewing relevant audit working papers on risk areas, through direct access or through the use of shared screen functionality. This, together with the additional procedures performed by the primary team, gave us appropriate evidence for our opinion on the Group and parent Company financial statements and ensured that the Senior Statutory Auditor exercised appropriate oversight of the principal locations of the Group.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that climate-related risks and opportunities arise from regulatory, technology and market changes in the transition to a low carbon economy as well as acute and chronic physical risks from climate change. These are explained in the required Task Force for Climate related Financial Disclosures and in Principal risks and uncertainties. They have also explained their climate commitments in the Sustainability section. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in note 1.7 how they have reflected the impact of climate change in their financial statements including how this aligns with their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2040. The areas considered most relevant relating to climate change are included in note 1.7.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, both physical and transition and on ensuring that the effects of emerging climate risks disclosed have been appropriately reflected by management in reaching their judgements in relation to the valuation of assets and liabilities. We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Revenue recognition The Group reported £8,061 million (2022: £7,454 million) of revenue from external customers, which consisted of £5,637 million (2022: £5,259 million) in Data & Analytics, £1,546 million (2022: £1,459 million) in Capital Markets and £878 million (2022: £736 million) in Post Trade. The Group generates revenue from a variety of sources that are material in size and volume. The complexity in auditing revenue relates to the judgements applied in: — the amount and timing of subscription revenue recognition based on non-standard terms in customer agreements; and — the year end revenue accruals for FTSE Russell asset-based revenues. Refer to the Report of the Audit Committee; Accounting policies; Notes 2 and 3 of the Financial Statements. The risk has remained consistent with the prior year.	— **Control assessment:** We confirmed our understanding of the processes and controls relevant to the material revenue streams of the Group. We also evaluated the design effectiveness and tested operating effectiveness of key controls including IT systems and related IT controls for certain revenue streams. — **Overall procedures:** We evaluated the appropriateness of the revenue recognition policy in accordance with IFRS 15 'Revenue from Contracts with Customers'. Additionally, we benchmarked the accounting policies with industry peers to ensure they are in line with industry standards. We performed cut-off testing to verify that revenue was recognised in the correct period. We performed analytical procedures and journal entry testing in order to identify and test the risk of misstatement arising from management override of controls. We performed trend analysis over these revenue streams. This includes analysing the trend between subscription revenue and cancellations. — **Subscription revenue in Data & Analytics:** For a sample of significant contracts, we obtained the executed contract and performed a review of the contract terms against the requirements of IFRS 15 'Revenue from Contracts with Customers', tested the invoices raised and cash collected as applicable. To test the authenticity of the contracts and mitigate the risk of falsified contracts, we used digital tools to detect any discrepancies and anomalies in contracts. — **FTSE Russell revenue accruals:** We selected a sample of revenue accruals and obtained appropriate supporting evidence such as vouching the basis for the accrued amounts to third party sources or prior period billings. We also agreed to invoices raised post year end and cash collected where applicable. We also performed substantive analytical procedures over revenue accruals recognised across the period, in comparison to total revenue recognised by month and counterparty to identify outliers on which to perform further procedures. For revenue based on assets under management ('AUM'), we independently reperformed the revenue calculation and tested a sample using AUM amounts from supporting customer agreements, independent third-party sources, where available, or customer declarations. — **Disclosure** We assessed the adequacy of the relevant disclosures made in the financial statements.

Key observations communicated to the Audit Committee

We are satisfied that revenue related to subscription revenue and FTSE Russell revenue accruals within the Data & Analytics business are not materially misstated and are recorded in accordance with IFRS 15 'Revenue from Contracts with Customers'.

Risk	Our response to the risk
Measurement of acquired intangible assets, including goodwill The Group reporting goodwill of £19,246 million (2022: £19,829 million) and net purchased intangible assets of £11,158 million (2022: £12,584 million) *Refer to the Report of the Audit Committee; Accounting policies and Note 9 of the Financial Statements.* The complexity in auditing goodwill relates to the use of judgement in the impairment assessment. Goodwill is sensitive to a number of judgements and estimates; in particular cash flow forecasts, long-term growth rates (LTGR), discount rates, customer retention rates and royalty rates. The complexity in auditing purchased intangible assets relates to the use of judgement in assessing if an impairment assessment should be performed and re-evaluating the amortisation method and useful life for each asset. The risk has remained consistent with the prior year.	— **Control assessment:** We confirmed our understanding of the impairment assessment process and assessed the design effectiveness of key controls. — **Carrying value of goodwill:** For all cash generating units (CGUs), we examined the cash flow forecasts and tested compliance with the requirements of IAS 36 'Impairment of Assets'. We tested the clerical accuracy of these forecasts and compared them to the three-year business plans approved by the Board. We evaluated the reasonableness of the cash flow forecasts using our understanding of the CGU and analysing the budgeted growth rates, its historical growth rates and other relevant market expectations and developments including changes in inflation and increasing interest rates. We compared prior periods' cash flow forecasts to actual results to assess management's forecasting accuracy. We tested the discount rates used by each of the CGUs, as well as the LTGRs, with involvement of our valuation specialists; we evaluated these model inputs within each impairment model, by comparing them to a range of economic and industry forecasts and market data where appropriate, as well as to other similar companies. We also performed sensitivity analysis on the key assumptions (including the model inputs, cash flow forecasts, royalty rates and customer retention rates) to understand the impact that reasonably possible changes would have on the overall carrying value of the goodwill and purchased intangible assets. — **Purchased intangible assets:** We evaluated management's assessment of the ability to identify a separate recoverable amount by asset in order to perform an impairment assessment. We assessed the appropriateness of the amortisation method and useful life used in the amortisation calculation by comparing to business plans and indicators of asset value. — **Disclosure** We assessed the adequacy of the relevant disclosures made in the financial statements, including the completeness of the sensitivity disclosure.

Key observations communicated to the Audit Committee

We are satisfied that the carrying values of goodwill and purchased intangible assets are materially correct and the related disclosures are compliant with IAS 36 'Impairment of Assets' and IAS 38 'Intangible Assets'.

Risk	Our response to the risk
Capitalisation and subsequent impairment of internally developed software The Group reported capitalised internally developed software of £2,717 million (2022: £2,653 million) and an impairment charge of £10 million (2022: £11 million) *Refer to the Report of the Audit Committee; Accounting policies; and Note 9 of the Consolidated Financial Statements* Auditing the capitalisation of software costs is complex as it involves management judgement in respect of the criteria set out in IAS 38 'Intangible Assets'. This includes determining whether costs can be capitalised, identifying when events or changes in circumstances indicate that the carrying amounts may not be recoverable, and determining recoverable amounts involving estimation of discount rates, LTGRs, cash flow forecasts and the amortisation periods for internally developed software. The risk has remained consistent with the prior year.	— **Control assessment:** We confirmed our understanding of both the capitalisation and impairment assessment processes and assessed the design and operating effectiveness of key controls. — **Additions testing:** For a sample of additions, we have agreed amounts capitalised to supporting documentation to verify whether the costs were incurred and meet the capitalisation criteria of IAS 38 'Intangible Assets'. — **Impairment assessment:** To assess the completeness of indicators of impairment identified by management, we selected a sample of assets, including those not yet brought into use or projects put on hold, and tested and challenged management's assessment of indicators of impairment. This included analysis against budgeted spend, identifying projects with no recent spend and if new projects or business developments may have made previous assets obsolete. Where an impairment has been recognised, we tested the key assumptions used within the assessment, such as the discount rates, LTGR and cash flow forecasts with involvement of our valuation specialists as needed. We also assessed the sensitivity analysis performed by management and performed independent additional sensitivity analysis on the impairment model inputs, to understand the impact that reasonably possible changes to key assumptions would have on the overall carrying value of the internally developed software. — **Disclosure:** We assessed the adequacy of the disclosures made in the financial statements.

Key observations communicated to the Audit Committee

We are satisfied that the carrying values of internally generated software are materially correct and the related disclosures are compliant with IAS 36 'Impairment of Assets' and IAS 38 'Intangible Assets'.

Risk	Our response to the risk
Accounting for acquisitions During 2023, the Group completed the acquisition of AcadiaSoft, Inc, (Acadia). Net Assets Acquired: £229 million Goodwill Recognised: £341 million There are judgements and estimates in accounting for acquisitions including the determination of the fair value of net assets acquired and the resulting goodwill which are presented and disclosed in the financial statements. *Refer to the Report of the Audit Committee; Accounting policies; and Note 21 of the Consolidated Financial Statements* The risk has reduced this year given the lower volume of businesses acquired and value of the acquisition compared to the prior year (Four significant acquisitions, with total net assets acquired of £288 million, and £569 million of goodwill recognised).	— **Control assessment:** We confirmed our understanding of the business combinations accounting process including process and controls relevant to the acquisitions. We held discussions with management to understand the governance structures and oversight of the accounting for each of the transactions. — **Technical accounting:** We reviewed management's business combinations accounting papers and management's assessment of the acquiree's accounting policies, understanding the differences with the Group and resulting impact. — **Net assets acquired and resulting goodwill:** We verified the completeness and accuracy of the carrying value of the acquired net assets. This included tests of detail and analytical review procedures over significant balance sheet accounts at the acquisition date. We assessed the reasonableness of the fair values of identifiable assets acquired and liabilities assumed and resulting goodwill with our valuation specialists. We assessed the appropriateness of intangible asset valuation models, tested the completeness and accuracy of the key inputs used and the reasonableness of the key assumptions including discount rates, royalty rates, attrition rates, contributory asset charge rates, long-term growth rates and cash flow forecasts. This included developing independent valuation ranges for net assets acquired. We involved our Tax specialists to evaluate the appropriateness of deferred taxes related to the assets acquired and liabilities assumed and to assess the appropriateness of the tax rate used in relation to each acquisition. — **Disclosure:** We assessed the adequacy of the disclosures made in the financial statements.

Key observations communicated to the Audit Committee

We concluded that the fair value of net assets acquired, and the resulting goodwill are materially correct and fall within our independently developed range.

We are satisfied that the Acadia acquisition and the related disclosures are materially correct and are in accordance with IFRS 3 'Business Combinations'.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £59 million (2022: £61 million), which is 5% (2022: 5%) of pre-tax profit from continuing operations, calculated by adjusting for certain non-underlying items we considered to be non-recurring, relating to: investment remeasurement gain of (£69 million); write-off of assets of £34 million; impairment of intangible and other assets of £32 million; separation and integration costs of (£9 million); and, retention costs of £8 million.

We consider the basis of our materiality to be one of the important considerations for shareholders of the Group in assessing the financial performance of the Group. It is linked to the key earnings measures discussed when the Group presents the financial results. In addition, within non-underlying items, the Group also excludes amortisation of purchased intangibles to present adjusted operating profit; this amount is not excluded from our materiality calculation.

Starting basis
— £1,194 million
— Profit before tax from continuing operations

Adjustments
— £4 million decrease
— Certain non-underlying items relating to investment remeasurement gain of (£69 million), write-off of assets of £34 million, impairment of intangible and other assets of £32 million, separation and integration costs of (£9 million) and retention costs of £8 million.

Adjusted basis
— £1,190 million
— Adjusted profit before tax from continuing operations

Materiality
— Materiality of £59 million (5% of materiality basis)

We determined materiality for the parent Company to be £237 million (2022: £228 million), which is 1% (2022: 1%) of equity of the parent Company. However, since the parent Company was a full scope component, for accounts that were relevant for the Group financial statements, performance materiality, as defined below, of £24 million was applied.

During the course of our audit, we reassessed initial materiality and made adjustments based on the final financial performance of the Group.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2022: 75%) of our planning materiality, namely £44 million (2022: £46 million). We have set performance materiality at this percentage due to our understanding of the Group's overall control environment and limited number and value of audit differences which were identified in the prior year audit.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £9 million to £33 million (2022: £10 million to £36 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £3 million (2022: £3 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information
The other information comprises the information included in the annual report including the Strategic Report, Governance information and disclosures (including Board of Directors, Corporate governance, Complying with the provisions of the Code, Report of the Nomination Committee, Report of the Audit Committee, Report of Risk Committee, Directors' Remuneration Report, Directors' Report and Statement of Directors' responsibilities), other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement
We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:
- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified;
- Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities;
- Directors' statement on fair, balanced and understandable;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and;
- The section describing the work of the audit committee.

Responsibilities of directors
As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Group and management.

— We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are the UK adopted International Accounting Standards, United Kingdom Accounting Standards, the UK Companies Act 2006, UK Corporate Governance Code 2016, The Financial Conduct Authority's (FCA) Listing Rules, other relevant FCA rules and regulations, Financial Services and Markets Act 2000, European Markets Infrastructure Regulations, and tax legislation (governed by HM Revenue and Customs). The Group operates in multiple countries and locations around the world which are regulated by the local regulator and is required to comply with local frameworks.
— We understood how the Group is complying with those frameworks by making inquiries of senior management, including the Chief Executive Officer, the Chief Financial Officer, the Group General Counsel, the Chief Risk Officer, the Group Head of Compliance, and the Group Head of Internal Audit. We reviewed significant correspondence between the Group and regulatory bodies, reviewed minutes of the Board and Risk Committee and gained an understanding of the Group's approach to governance, demonstrated by the Board's approval of the Group's governance framework and the Board's review of the Group's risk management framework and internal control processes. We also carried out an assessment of matters reported through the Group's whistleblowing programmes where these related to the financial statements.
— We assessed the susceptibility of the Group's and parent Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Group has established to address risks identified by the Group, or that otherwise seek to prevent, deter or detect fraud. We considered performance and incentive plan targets and their potential to influence management to manage earnings or influence the perceptions of investors. Our procedures over our key audit matters and other significant accounting estimates included challenging management on the assumptions and judgements made in determining these estimates. We identified and tested journal entries, including those posted with certain descriptions or unusual characteristics, backdated journals or posted by infrequent and unexpected users.
— Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of senior management, the Group General Counsel, the Chief Risk Officer, the Group Head of Compliance and internal audit, review of significant correspondence with regulatory bodies, minutes of meetings of the Board and certain Board committees, the whistleblowing log, and focused testing, as referred to in the key audit matters section above.
— The Group operates in the exchange, benchmarks and central clearing counterparty industries which are regulated environments. As such, the Senior Statutory Auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

— Following the recommendation from the Audit Committee, we were appointed as auditors of the Group and signed an engagement letter on 12 June 2014 and were appointed by the Group at the AGM on 16 July 2014, to audit the financial statements for the nine months period ended 31 December 2014 and subsequent financial periods. We signed an updated engagement letter on 25 October 2021 to audit and report on the financial statements of London Stock Exchange Group Plc and its subsidiaries for the year ended 31 December 2021 and subsequent financial periods.
— The period of total uninterrupted engagement including previous renewals and reappointments is nine years and nine months, covering the nine-month period ended 31 December 2014 to the year ended 31 December 2023.
— The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Simon Michaelson (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

28 February 2024

Consolidated income statement

Year ended 31 December	Notes	2023 Adjusted[1] £m	2023 Non-underlying £m	2023 Total £m	2022[2] Adjusted[1] £m	2022[2] Non-underlying £m	2022[2] Total £m
Continuing operations							
Revenue	2.1, 3.1	**8,061**	**–**	**8,061**	7,454	–	7,454
Net treasury income from CCP clearing business	2.1, 3.1	**289**	**–**	**289**	255	–	255
Other income	2.1, 3.1	**29**	**–**	**29**	34	–	34
Total income		**8,379**	**–**	**8,379**	7,743	–	7,743
Cost of sales	2.1	**(1,143)**	**–**	**(1,143)**	(1,064)	–	(1,064)
Gross profit		**7,236**	**–**	**7,236**	6,679	–	6,679
Operating expenses before depreciation, amortisation and impairment	4	**(3,474)**	**(332)**	**(3,806)**	(3,140)	(389)	(3,529)
Profit on disposal of property, plant and equipment	2.3	**–**	**–**	**–**	–	133	133
Remeasurement gain	2.3, 21.1	**–**	**69**	**69**	–	23	23
Income from equity investments	11.1	**15**	**–**	**15**	12	–	12
Share of loss after tax of associates		**–**	**–**	**–**	(1)	–	(1)
Earnings before interest, tax, depreciation, amortisation and impairment		**3,777**	**(263)**	**3,514**	3,550	(233)	3,317
Depreciation, amortisation and impairment	9, 10	**(915)**	**(1,228)**	**(2,143)**	(822)	(1,078)	(1,900)
Operating profit/(loss)		**2,862**	**(1,491)**	**1,371**	2,728	(1,311)	1,417
Finance income	5.1	**159**	**–**	**159**	41	–	41
Finance costs	5.2	**(329)**	**(6)**	**(335)**	(201)	(16)	(217)
Net finance costs		**(170)**	**(6)**	**(176)**	(160)	(16)	(176)
Profit/(loss) before tax		**2,692**	**(1,497)**	**1,195**	2,568	(1,327)	1,241
Taxation	6.1	**(625)**	**378**	**(247)**	(540)	278	(262)
Profit/(loss) from continuing operations		**2,067**	**(1,119)**	**948**	2,028	(1,049)	979
Discontinued operations							
Profit from discontinued operations	22.1	**–**	**–**	**–**	59	453	512
Profit/(loss) for the year		**2,067**	**(1,119)**	**948**	2,087	(596)	1,491
Profit/(loss) from continuing operations attributable to:							
Equity holders		**1,775**	**(1,014)**	**761**	1,770	(980)	790
Non-controlling interests	19	**292**	**(105)**	**187**	258	(69)	189
Profit/(loss) from continuing operations		**2,067**	**(1,119)**	**948**	2,028	(1,049)	979
Profit from discontinued operations attributable to:							
Equity holders		**–**	**–**	**–**	59	453	512
Non-controlling interests		**–**	**–**	**–**	–	–	–
Profit from discontinued operations	22.1	**–**	**–**	**–**	59	453	512
Profit/(loss) for the year		**2,067**	**(1,119)**	**948**	2,087	(596)	1,491
Earnings per share attributable to equity holders							
Continuing operations							
Basic earnings per share	7	**323.9p**		**138.9p**	317.8p		141.8p
Diluted earnings per share	7	**322.1p**		**138.1p**	316.1p		141.1p
Total operations							
Basic earnings per share	7	**323.9p**		**138.9p**	328.4p		233.8p
Diluted earnings per share	7	**322.1p**		**138.1p**	326.6p		232.5p
Dividend per share in respect of the financial year							
Dividend per share paid during the year	8			**35.7p**			31.7p
Dividend per share declared for the year	8			**79.3p**			75.3p

1 Before non-underlying items ("adjusted").
2 For 2022, interest cost on retirement benefit obligations of £70 million was presented within finance costs. This has been reclassified to finance income to align with the accounting policy. This change has no overall impact on net finance costs in 2022 (see note 5).

Consolidated statement of comprehensive income

Year ended 31 December	Notes	**2023 £m**	2022 £m
Continuing operations			
Profit for the year		**948**	979
Other comprehensive (loss)/income			
Items that will not be subsequently reclassified to the income statement			
Actuarial losses on retirement benefit obligations	12.2	**(85)**	(329)
(Losses)/gains on equity instruments designated as fair value through other comprehensive income (FVOCI)	11.1	**(12)**	21
Deferred tax relating to items that will not be reclassified	6.1	**(34)**	83
		(131)	(225)
Items that may be subsequently reclassified to the income statement			
Net gains/(losses) on net investment hedges	17.4	**63**	(113)
Gains on cash flow hedge recycled to the income statement	17.4	**(3)**	(3)
Debt instruments at FVOCI:			
— Net losses from changes in fair value on debt instruments at FVOCI		**–**	(15)
— Losses recycled to the income statement		**–**	1
Net exchange (losses)/gains on translation of foreign operations		**(1,446)**	2,653
Deferred tax relating to items that may be reclassified	6.1	**1**	2
		(1,385)	2,525
Other comprehensive (loss)/income net of tax from continuing operations		**(1,516)**	2,300
Total comprehensive (loss)/income from continuing operations		**(568)**	3,279
Discontinued operations			
Total comprehensive income from discontinued operations	22.1	**–**	512
Total comprehensive (loss)/income		**(568)**	3,791
Total comprehensive (loss)/income from continuing operations attributable to:			
Equity holders		**(636)**	2,889
Non-controlling interests	19	**68**	390
Total comprehensive (loss)/income from continuing operations		**(568)**	3,279
Total comprehensive income from discontinued operations attributable to:			
Equity holders		**–**	512
Non-controlling interests		**–**	–
Total comprehensive income from discontinued operations	22.1	**–**	512
Total comprehensive (loss)/income		**(568)**	3,791

Consolidated balance sheet

At 31 December	Notes	2023 £m	2022[1] £m
Assets			
Non-current assets			
Intangible assets	9	**33,147**	35,066
Property, plant and equipment	10	**716**	797
Investments in associates		**28**	34
Investments in financial assets	11.1	**372**	394
Derivative financial instruments	17.1	**94**	12
Other receivables	13	**178**	209
Retirement benefit assets	12.3	**172**	231
Deferred tax assets	6.2	**664**	622
		35,371	37,365
Current assets			
Trade and other receivables	13	**2,051**	1,364
Clearing member assets	17.1	**763,535**	792,434
Investments in financial assets	11.2	**–**	226
Derivative financial instruments	17.1	**11**	36
Current tax receivable		**462**	522
Cash and cash equivalents	14	**3,580**	3,209
		769,639	797,791
Total assets		**805,010**	835,156
Liabilities			
Current liabilities			
Trade and other payables	15	**1,896**	2,004
Contract liabilities	3.4	**273**	257
Borrowings and lease liabilities	16	**2,166**	1,434
Clearing member financial liabilities	17.2	**764,041**	792,594
Derivative financial instruments	17.2	**60**	9
Current tax payable		**124**	142
Provisions		**18**	29
		768,578	796,469
Non-current liabilities			
Borrowings and lease liabilities	16	**7,533**	7,389
Other payables	15	**601**	649
Contract liabilities	3.4	**72**	89
Derivative financial instruments	17.2	**22**	87
Retirement benefit obligations	12.3	**79**	64
Deferred tax liabilities	6.2	**2,140**	2,200
Provisions		**41**	58
		10,488	10,536
Total liabilities		**779,066**	807,005
Net assets		**25,944**	28,151
Equity			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital	18.1	**38**	39
Share premium	18.1	**978**	978
Retained earnings		**2,917**	3,840
Other reserves	18.2	**19,874**	21,139
Total shareholders' funds		**23,807**	25,996
Non-controlling interests	19	**2,137**	2,155
Total equity		**25,944**	28,151

1 For 2022, current lease liabilities of £139 million and non-current lease liabilities of £533 million were presented as trade and other payables. These have been reclassified to current borrowings and non-current borrowings respectively (see note 16) to better reflect the nature of the liability.

The financial statements on pages 171–254 were approved by the Board on 28 February 2024 and signed on its behalf by:

David Schwimmer
Chief Executive Officer

Anna Manz
Chief Financial Officer

28 February 2024
London Stock Exchange Group plc
Registered number 5369106

Consolidated statement of changes in equity

		Attributable to equity holders						
	Notes	**Ordinary share capital £m**	**Share premium £m**	**Retained earnings £m**	**Other reserves[1] £m**	**Total attributable to equity holders £m**	**Non-controlling interests £m**	**Total equity £m**
1 January 2022		39	978	3,816	18,807	23,640	1,879	25,519
Total comprehensive income for the year		–	–	1,069	2,332	3,401	390	3,791
Share buyback by the Company	18.1	–	–	(503)	–	(503)	–	(503)
Dividends	8, 19	–	–	(567)	–	(567)	(80)	(647)
Share-based payments	20	–	–	99	–	99	63	162
Tax on share-based payments less than expense recognised	6.1	–	–	(78)	–	(78)	–	(78)
Purchase of non-controlling interests		–	–	4	–	4	(19)	(15)
Tradeweb share buyback[2]		–	–	–	–	–	(80)	(80)
Shares withheld from employee options exercised (Tradeweb)[3]		–	–	–	–	–	(82)	(82)
Tax on investment in partnerships	6.1	–	–	–	–	–	100	100
Adjustments to non-controlling interest		–	–	–	–	–	(16)	(16)
31 December 2022		39	978	3,840	21,139	25,996	2,155	28,151
Total comprehensive income for the year		**–**	**–**	**630**	**(1,266)**	**(636)**	**68**	**(568)**
Share buyback by the Company	18.1	**(1)**	**–**	**(1,007)**	**1**	**(1,007)**	**–**	**(1,007)**
Dividends	8, 19	**–**	**–**	**(611)**	**–**	**(611)**	**(80)**	**(691)**
Share-based payments	20	**–**	**–**	**92**	**–**	**92**	**54**	**146**
Tax on share-based payments in excess of expense recognised	6.1	**–**	**–**	**15**	**–**	**15**	**–**	**15**
Purchase of non-controlling interests	19	**–**	**–**	**(42)**	**–**	**(42)**	**(53)**	**(95)**
Tradeweb share buyback[2]		**–**	**–**	**–**	**–**	**–**	**(28)**	**(28)**
Shares withheld from employee options exercised (Tradeweb)[3]		**–**	**–**	**–**	**–**	**–**	**(42)**	**(42)**
Tax on investment in partnerships	6.1	**–**	**–**	**–**	**–**	**–**	**62**	**62**
Adjustments to non-controlling interest		**–**	**–**	**–**	**–**	**–**	**1**	**1**
31 December 2023		**38**	**978**	**2,917**	**19,874**	**23,807**	**2,137**	**25,944**

1 Movements in other reserves are detailed in note 18.2.
2 On 4 February 2021, Tradeweb Markets Inc. (Tradeweb), a subsidiary of the Group, announced a share repurchase programme, primarily to offset annual dilution from stock-based compensation plans. Its share repurchase programme authorised the purchase of up to $150 million of Tradeweb's common stock until 31 December 2023.
3 Tradeweb is required to withhold shares issued as a result of employee share plans in order to settle the associated taxes payable by the employee.

Consolidated cash flow statement

Year ended 31 December	Notes	2023 £m	2022[1,2] £m
Operating activities			
Profit from continuing operations		**948**	979
Adjustments to reconcile profit to net cash flow:			
— Taxation	6.1	**247**	262
— Net finance costs	5	**176**	176
— Amortisation and impairment of intangible assets	9	**1,857**	1,603
— Depreciation and impairment of property, plant and equipment	10	**286**	290
— Profit on disposal of property, plant and equipment		**–**	(133)
— Remeasurement gain[1]	2.3	**(69)**	(23)
— Share-based payments	20	**143**	158
— Foreign exchange losses		**17**	38
— Dividend income	11.1	**(15)**	(12)
— Other movements[1,2]		**(6)**	55
Working capital changes and movements in other assets and liabilities:			
— Increase in receivables, contract and other assets		**(706)**	(407)
— Decrease in payables, contract and other liabilities		**(1)**	(119)
— Decrease in clearing member financial assets		**5,677**	709
— Decrease in clearing member financial liabilities		**(5,331)**	(383)
Cash generated from operations		**3,223**	3,193
Interest received		**148**	29
Interest paid		**(212)**	(171)
Net taxes paid		**(217)**	(351)
Net cash flows from continuing operations		**2,942**	2,700
Net cash flows from discontinued operations		**–**	37
Net cash flows from operating activities		**2,942**	2,737
Investing activities			
Payments for intangible assets	9	**(962)**	(773)
Payments for property, plant and equipment	10	**(122)**	(193)
Proceeds from disposal of property, plant and equipment		**–**	153
Acquisition of subsidiaries, net of cash acquired	21.2	**(523)**	(768)
Proceeds from sale of disposal group, net of cash disposed		**–**	903
Proceeds from disposal of/(investments in) financial assets		**223**	(227)
Dividends received	11.1	**15**	12
Net cash flows from continuing operations		**(1,369)**	(893)
Net cash flows from discontinued operations		**–**	(16)
Net cash flows used in investing activities		**(1,369)**	(909)
Financing activities			
Payment of principal portion of lease liabilities	16.2	**(156)**	(150)
Proceeds from borrowings[3]	16.4	**2,389**	–
Repayment of borrowings	16.4	**(1,261)**	(209)
Dividends paid to equity holders	8	**(611)**	(567)
Dividends paid to non-controlling interests	19.1, 19.2	**(80)**	(82)
Repurchase of shares by Company	18.1	**(1,207)**	(303)
Repurchase of shares by subsidiary (Tradeweb)		**(28)**	(80)
Purchase of non-controlling interests		**(95)**	–
Other financing activities		**(37)**	(77)
Net cash flows (from continuing operations) used in financing activities		**(1,086)**	(1,468)
Increase in cash and cash equivalents		**487**	360
Foreign exchange translation		**(116)**	184
Cash and cash equivalents at 1 January		**3,209**	2,665
Cash and cash equivalents at 31 December	14	**3,580**	3,209

1 For 2022, the remeasurement gain of £23 million has been disaggregated from other movements to align with disclosure for 2023.
2 Royalties paid of £89 million were separately presented in 2022. This is aggregated with cash generated from operations to align with disclosure in 2023.
3 Proceeds from borrowings includes a net increase in borrowings with short-term maturities of £1,112 million.

Notes to the consolidated financial statements

Reporting entity

These consolidated financial statements have been prepared for London Stock Exchange Group plc (the "Company") and its subsidiaries (the "Group"). The Group is a diversified global financial markets infrastructure and data business. The Company is a public company, incorporated and domiciled in England and Wales. The address of its registered office is 10 Paternoster Square, London, EC4M 7LS.

During 2023, the Group acquired the businesses listed below. The results of these businesses have been consolidated from the date of acquisition (see note 21).

Acquired business	Acquisition date	Segment	Cash-generating unit (CGU)
AcadiaSoft, Inc. (Acadia)	31 March 2023	Post Trade	Post Trade
Yieldbroker Pty Limited (Yieldbroker)	31 August 2023	Capital Markets	Tradeweb

1. Accounting policies

This section describes our material accounting policy information and significant accounting judgements and estimates that relate to the financial statements as a whole. Where an accounting policy or a significant accounting judgement or estimate is applicable to a specific note to the financial statements, it is disclosed in that note. These policies have been consistently applied to all the periods presented, unless otherwise stated. We have also detailed below the new accounting pronouncements that we will adopt in future years and how we have assessed the impact of climate change on our financial statements.

1.1 Compliance with International Financial Reporting Standards (IFRS)

The Group's consolidated financial statements are prepared in accordance with UK-adopted international accounting standards which are endorsed by the UK Endorsement Board.

1.2 Basis of preparation

The financial statements are prepared under the historical cost basis except for derivative financial instruments, debt and equity financial assets and contingent consideration which are measured at fair value.

Going concern

The financial statements have been prepared on a going concern basis.

The Group's business activities (together with the factors likely to affect its future development, performance and position), its objectives, policies in managing risk and its capital are set out in the Strategic Report on pages 2 to 89. In addition:

- the Group's borrowing facilities and respective repayment dates, and the net debt position of the Group, are included in note 16; and
- the financial risk management objectives and policies of the Group, together with its exposure to capital, credit and concentration, country, liquidity, settlement, custodial and market risk are discussed in note 17.5.

Business planning process

The Group's forecasting and planning process includes the Group's three-year business plan. The business plan makes certain assumptions about the performance of the core revenue streams and segments, the use of existing product lines and the take up of new product lines. It also makes assumptions on appropriate levels of investment to support expected performance, known inorganic activity, the ability to refinance debt as required and expected returns to shareholders.

Performance management

The Group's performance is analysed monthly by management. Monthly results are reviewed and compared against the business plan, and previous and updated full year forecasts are also assessed. Key variances and associated drivers are reviewed and reported upon.

Cash flows and liquidity headroom

When performing our going concern assessment, the main factors considered are forecasts of the Group's cash flow and liquidity headroom (defined as undrawn committed facilities less issued commercial paper plus available cash), both of which are outputs of the business plan. The business plan is stress tested using severe but plausible downside scenarios as determined by the Financial Risk Committee over the full three-year plan period. The impact of these stress tests on the performance of core revenue streams and segments is modelled, with appropriate mitigating factors also considered. The outputs of this stress-testing on the Group's cash flow and liquidity are then evaluated against thresholds set by the Group's risk appetite. These thresholds include liquidity headroom and leverage ratio (operating net debt to adjusted earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) and before foreign exchange gains or losses).

The scenarios modelled are included in the viability statement on page 89.

No scenario over the three-year period leads to a breach in the Group's risk appetite thresholds or would mean the Group is unable to meet its obligations as a result of insufficient liquidity.

A reverse stress test has also been completed, to evaluate the financial impacts that would breach the Group's risk appetite thresholds. We concluded that the scenarios required to breach the thresholds are all deemed improbable.

Conclusion

The Directors, therefore, consider there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for 12 months from the date when these financial statements are authorised for issue. Accordingly, the going concern basis has been adopted in the preparation of these financial statements.

1. Accounting policies continued

Presentation of income statement
The Group uses a columnar format for the presentation of its consolidated income statement to separately identify results before non-underlying items ("adjusted"). This is consistent with the way that financial performance is measured by management and reported to the Executive Committee and Board (see note 2).

Current and non-current classification
The Group presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is current when it is:
— Held primarily for trading purposes;
— Expected to be realised within one year from the reporting date;
— Expected to be realised or intended to be sold or consumed in the course of the Group's operating cycle; or
— Cash or cash equivalents.

All other assets are classified as non-current.

A liability is current when it is:
— Held primarily for trading purposes;
— Expected to be settled in the course of the Group's operating cycle; or
— Due to be settled within one year from the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.3 Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are consolidated from the date on which control is obtained by the Group. They are deconsolidated from the date on which control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The results of subsidiaries are consolidated for the period to 31 December, even if the subsidiary's financial year-end is different.

The principal operating subsidiaries of the Group are given below and a full list of subsidiaries is given in note 10.1 of the Company financial statements.

Name	Principal activity	Country of incorporation and principal operations	Group ultimate economic interest %
Banque Centrale de Compensation SA (LCH SA)	CCP clearing services	France	82.61
Financial & Risk Organisation Limited	IP owner	England & Wales	100.00
Frank Russell Company	Market indices provider	USA	100.00
FTSE International Limited	Market indices provider	England & Wales	100.00
LCH Limited	CCP clearing services	England & Wales	82.61
London Stock Exchange plc	Recognised investment exchange	England & Wales	100.00
Refinitiv Asia Pte Ltd	Market and financial data provider	Singapore	100.00
Refinitiv France SAS	Market and financial data provider	France	100.00
Refinitiv Germany GmbH	Market and financial data provider	Germany	100.00
Refinitiv Hong Kong Limited	Market and financial data provider	Jersey[1]	100.00
Refinitiv Japan KK	Market and financial data provider	Japan	100.00
Refinitiv Limited	Market and financial data provider	England & Wales	100.00
Refinitiv US LLC	Market and financial data provider	USA	100.00
Tradeweb Markets LLC	Multilateral trading facility	USA	51.01

1 Operates in Hong Kong.

The acquisition method of accounting is used by the Group to account for business combinations (see note 21). Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, balance sheet and statement of changes in equity (see note 19).

Intercompany transactions and balances between group companies are eliminated on consolidation. Where necessary, adjustments are made to the results of subsidiaries and associates to bring their accounting policies in line with those of the Group.

1. Accounting policies continued

1.4 Foreign currencies

Functional and presentation currency

The consolidated financial statements are presented in sterling, which is also the functional currency of London Stock Exchange Group plc, the Company. The Group determines the functional currency for each of its subsidiary entities and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances in foreign currencies

Transactions in foreign currencies are initially recorded and translated into the functional currency of the relevant Group entity at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency of the entity at the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such foreign currency transactions or from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, either within operating expenses or finance income or costs, depending on the nature of the item or transaction.

Non-monetary items measured at historical cost are not retranslated. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the exchange rate at the date when the fair value was determined. The foreign exchange gain or loss on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. This means:

— foreign exchange gains and losses on non-monetary assets and liabilities held at fair value through profit or loss are recognised in the income statement (within operating expenses); and
— foreign exchange gains and losses on non-monetary assets classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Translation of non-sterling entities on consolidation

The results and financial position of all Group entities that have a non-sterling functional currency are translated into sterling on consolidation into the Group's results as follows:

— assets and liabilities (including goodwill, purchased intangible assets and fair value adjustments[1]) are translated at the reporting date exchange rates;
— income and expenses and other comprehensive income are translated at the average exchange rate for each month. Where this average is not a reasonable approximation of the rate prevailing on the date of a material transaction, these items are translated at the rate on the date of the transaction; and
— all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of net investments in foreign operations, borrowings and other currency instruments designated as hedging instruments (see note 17.4) are recognised in other comprehensive income. On disposal of a foreign currency operation, the cumulative exchange differences previously recognised in other comprehensive income relating to that operation are reclassified to the income statement as part of the profit or loss on disposal.

1 Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the reporting date exchange rate.

1.5 New and amended standards and interpretations

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2023

During the year, the following amendments to standards became effective. These have not had a material impact on the Group's financial statements:

— IFRS 17 *Insurance Contracts*, including amendments to IFRS 17 (and initial application of IFRS 17 and IFRS 9 *Financial Instruments* – comparative information);
— Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2: Disclosure of accounting policies;
— Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors:* Definition of accounting estimates;
— Amendments to IAS 12 *Income Taxes*: Deferred tax related to assets and liabilities arising from a single transaction; and
— Amendments to IAS 12 *Income Taxes*: International Tax Reform – Pillar Two Model Rules. The Amendments introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from implementation of the Pillar Two Model Rules. The Group has applied this mandatory temporary exception (see note 6).

Standards, interpretations and amendments to published standards which are not yet effective

New and amended standards that have been issued, but are not yet effective, up to the date of the Group's financial statements are disclosed below. We intend to adopt these, if applicable, when they become effective. These amendments are not expected to have a material impact on the Group's financial statements.

International accounting standards and interpretations	Effective date
Amendments to IFRS 16 *Leases:* Lease liability in a sale and leaseback	1 January 2024
Amendments to IAS 1: — Classification of liabilities as current or non-current; and — Non-current liabilities and covenants	1 January 2024
Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments Disclosures:* Supplier finance arrangements	1 January 2024
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates:* Lack of exchangeability	1 January 2025[1]

1 Not yet endorsed by UK Endorsement Board.

1. Accounting policies continued

1.6 Significant accounting estimates, assumptions and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Estimates, assumptions and judgements are regularly reviewed based on historical experience, current circumstances and expectations of future events. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

Significant accounting estimates and assumptions are those that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant judgements are those made by management in applying the Group's significant accounting policies that have a material impact on the amounts presented in the financial statements. Significant judgement may be exercised in management's accounting estimates and assumptions.

Estimates, assumptions and judgements are described in the relevant notes to the financial statements (identified by the following symbol)

Note		Significant estimates and assumptions	Significant judgement
2.3	Non-underlying items		●
6.3	Uncertain tax positions	●	●
9	Intangible assets	●	
12	Pension and other retirement benefit schemes	●	●

Management has discussed significant accounting estimates, assumptions and judgements with the Audit Committee.

1.7 Climate change

We have considered the impact of climate change on the Group's operations as outlined in the risks disclosed on pages 63 to 68 of the Strategic Report as well as in the Sustainability Report. We have also reviewed the potential impact of climate change on the Group's financial results and position. The areas that are deemed to be most relevant to climate change are set out below. Based on an assessment in each area, we have concluded that climate change is not currently expected to have a material impact on the Group's financial position, estimates or judgements. The directors monitor this on an ongoing basis.

— **Going concern and viability** – The Group has committed to a long-term ambition to achieve net zero by 2040 and has set targets to reduce selected carbon emissions by 50% by 2030. There is no other direct impact on the viability of the Group. There is no climate-related scenario that is deemed to have a probable likelihood of occurring which could impact the Group's going concern assessment.

— **Impairment of goodwill and intangible assets** – Forecasted cash flows are not expected to be impacted materially by climate change over the period for which forecasts have been prepared, due to the nature of the Group's revenue streams. The impact on costs mainly relates to reducing our carbon footprint by encouraging responsible employee travel and purchasing carbon credits.

— **Useful lives of assets** – The Group's assets consist mainly of property and IT equipment. Given the type of IT equipment owned by the Group, there is no expected impact of climate change on the future useful lives of these assets. The useful lives of our property could be impacted by climate change in the form of physical obsolescence of assets or because of a natural disaster (such as flooding), however any such impact on the carrying value of related assets is not deemed material.

— **Deferred tax assets** – Deferred tax asset recoverability can be affected by climate if there is an expectation that it will impact on the future taxable profits that are expected to be generated. The revenue of the Group is of such a nature that it is not expected to be impacted materially by climate change over the period for which forecasts are prepared. There is a potential reduction in costs as we reduce our carbon footprint and encourage responsible employee travel.

— **Valuation of pension scheme assets and defined benefit liabilities** – Changes in interest rates, as a result of climate change, could impact the future valuation of pension scheme assets and defined benefit liabilities. While these are considered in the valuation, there was no discernible impact from climate change on the current year's valuation.

— **Trade and other receivables** – The Group has a diverse client base that operates in various industries. The Group's expected credit loss provision considers the credit risk of its client base, which could be impacted by the assessment of climate change in a particular market or industry. Given that receivables are mainly due within one year, the impact of climate change in the short term is unlikely to be material.

— **Revenue** – We provide a range of climate-related products and services such as admission on the voluntary carbon market and the sustainable bond market. Revenue earned from these are not deemed material revenue streams, but support the Group in enabling others to purchase carbon credits to aid in the fight against climate change.

— **Expenses** – To support our long-term ambition to achieve net zero, the Group purchases carbon credits to offset the impact of the Group's carbon emissions. The cost of purchasing these has been minimal during the current year, as credits purchased during prior years were sufficient to cover emissions during the current financial year. Any additional credits required will be purchased once the Group's emissions for the year have been calculated.

2. Segment information

The Group reports three main operating segments:
— Data & Analytics – provider of financial data, indices and analytics
— Capital Markets – global operator of capital raising and trading venues in multiple asset classes
— Post Trade – provider of clearing, risk management and capital optimisation solutions

With effect from 2024, we are changing our reporting structure, simplifying our Data & Analytics reporting under product lines and aligning divisional disclosure with new management reporting lines.

Accounting policy
IFRS 8 *Operating Segments* requires operating segments to be identified on the same basis as is reported internally for the review of performance and allocation of resources by the "chief operating decision maker". For the Group, this is the Executive Committee.

The Executive Committee uses "adjusted" measures including adjusted EBITDA to assess the profitability and performance of the operating segments.

The "adjusted" measures reported by the Group are:
— Adjusted operating expenses before depreciation, amortisation and impairment
— Adjusted EBITDA
— Adjusted depreciation, amortisation and impairment
— Adjusted operating profit
— Adjusted net finance costs
— Adjusted profit before tax
— Adjusted profit for the year[1]
— Adjusted earnings per share (EPS)[1]

These measures are not measures of performance under IFRS and should be considered in addition to, and not as a substitute for, IFRS measures of financial performance and liquidity. Adjusted performance measures provide supplemental data relevant to an understanding of the Group's financial performance and exclude non-underlying items of income and expense that are material by their size and/or nature (see note 2.3).

1 Adjusted profit for the year is used to calculate adjusted EPS and is reconciled to profit before taxation in the EPS note and on the face of the income statement.

2.1 Segment results

Results, including adjusted EBITDA, by operating segment for the year ended 31 December 2023 are as follows:

Continuing operations	Notes	Data & Analytics £m	Capital Markets £m	Post Trade £m	Other £m	Group £m
Revenue from external customers[1]	3.1	**5,637**	**1,546**	**878**	**–**	**8,061**
Net treasury income from CCP clearing business	3.1	**–**	**–**	**289**	**–**	**289**
Other income	3.1	**–**	**–**	**–**	**29**	**29**
Total income		**5,637**	**1,546**	**1,167**	**29**	**8,379**
Cost of sales		**(913)**	**(35)**	**(195)**	**–**	**(1,143)**
Gross profit		**4,724**	**1,511**	**972**	**29**	**7,236**
Adjusted operating expenses before depreciation, amortisation and impairment	4	**(2,348)**	**(715)**	**(403)**	**(8)**	**(3,474)**
Income from equity investments		**–**	**–**	**–**	**15**	**15**
Adjusted EBITDA		**2,376**	**796**	**569**	**36**	**3,777**
Adjusted depreciation, amortisation and impairment	9, 10	**(664)**	**(128)**	**(123)**	**–**	**(915)**
Adjusted operating profit		**1,712**	**668**	**446**	**36**	**2,862**

1 Data & Analytics revenue includes recoveries of £370 million. Post Trade revenue includes net settlement and similar expenses recovered through the CCP clearing businesses of £5 million which comprises gross settlement income of £46 million less gross settlement expenses of £41 million.

2. Segment information continued

Results, including adjusted EBITDA, by operating segment for the year ended 31 December 2022 are as follows:

Continuing operations	Notes	Data & Analytics £m	Capital Markets £m	Post Trade £m	Other £m	Group £m
Revenue from external customers[1]	3.1	5,259	1,459	736	–	7,454
Net treasury income from CCP clearing business	3.1	–	–	255	–	255
Other income	3.1	–	–	–	34	34
Total income		5,259	1,459	991	34	7,743
Cost of sales		(879)	(34)	(150)	(1)	(1,064)
Gross profit		4,380	1,425	841	33	6,679
Adjusted operating expenses before depreciation, amortisation and impairment	4	(2,142)	(665)	(324)	(9)	(3,140)
Income from equity investments		–	–	–	12	12
Share of loss after tax of associates		–	–	–	(1)	(1)
Adjusted EBITDA		2,238	760	517	35	3,550
Adjusted depreciation, amortisation and impairment	9, 10	(607)	(103)	(112)	–	(822)
Adjusted operating profit		1,631	657	405	35	2,728

1 Data & Analytics revenue includes recoveries of £315 million. Post Trade revenue includes net settlement and similar expenses recovered through the CCP clearing businesses of £12 million which comprises gross settlement income of £47 million less gross settlement expenses of £35 million.

2.2 Adjusted EBITDA and adjusted operating profit

Adjusted EBITDA and adjusted operating profit reconcile to operating profit and profit before tax as follows:

Continuing operations	Notes	2023 £m	2022 £m
Adjusted EBITDA		**3,777**	3,550
Adjusted depreciation, amortisation and impairment	9, 10	**(915)**	(822)
Adjusted operating profit		**2,862**	2,728
Non-underlying operating expenses before interest, tax, depreciation, amortisation and impairment	2.3	**(263)**	(233)
Non-underlying depreciation, amortisation and impairment	2.3, 9, 10	**(1,228)**	(1,078)
Operating profit		**1,371**	1,417
Net finance costs (including non-underlying items)	5	**(176)**	(176)
Profit before tax		**1,195**	1,241

2.3 Non-underlying items

The Group separately identifies results before non-underlying items (we refer to these results as "adjusted"). This note explains the main non-underlying items in the year, most of which have arisen as a result of acquisition and subsequent integration activity.

Significant accounting judgements

The Group uses its judgement to classify items as non-underlying. Income or expenses are recognised and classified as non-underlying when the following criteria are met:

- The item does not arise in the normal course of business; and
- The items are material by amount or nature.

Non-underlying items include:

- Amortisation and impairment of goodwill and purchased intangible assets. Purchased intangible assets include customer relationships, trade names, and databases and content, all of which are as a result of acquisitions;
- Incremental amortisation and impairment of any fair value adjustments of intangible assets recognised as a result of acquisitions;
- Other income or expenses not considered to drive the operating results of the Group including transaction, integration and separation costs related to acquisitions and disposals of businesses as well as significant restructuring costs; and
- Tax on non-underlying items and non-underlying tax items.

When items meet the criteria, they are recognised and classified as non-underlying and this is applied consistently from year to year. Any releases to provisions originally booked as a non-underlying item are also classified as non-underlying.

After the acquisition of a business, revenue generated and operating costs incurred by that business are not classified as non-underlying.

2. Segment information continued

Continuing operations	Notes	2023 £m	2022 £m
Non-underlying operating expenses before interest, tax, depreciation, amortisation and impairment			
Transaction costs		**85**	85
Integration and separation costs		**211**	278
Restructuring and other costs		**36**	26
		332	389
Profit on disposal of property, plant and equipment		**–**	(133)
Remeasurement gain	21.1	**(69)**	(23)
		(69)	(156)
Non-underlying operating expenses before interest, tax, depreciation, amortisation and impairment		**263**	233
Non-underlying depreciation, amortisation and impairment			
Amortisation of purchased intangible assets	9	**1,057**	1,013
Amortisation and impairment of software and other intangible assets	9	**148**	31
Depreciation and impairment of property, plant and equipment	10	**23**	27
Impairment of other non-current assets		**–**	7
		1,228	1,078
Non-underlying items before interest and tax		**1,491**	1,311
Non-underlying finance costs	5.2	**6**	16
Non-underlying items before tax		**1,497**	1,327
Non-underlying tax	6.1	**(378)**	(278)
Non-underlying items after tax		**1,119**	1,049

Transaction costs mainly relate to the following:
— Acadia and Yieldbroker acquisition costs – £10 million (2022: £3 million) (see note 21.4).
— Employment-linked management incentives for the MayStreet Inc. (MayStreet) and TORA Holdings, Inc. (TORA) acquisitions, and MayStreet earn-out arrangement costs – £34 million (2022: £25 million).
— Fair value gain on the contingent consideration payable resulting from the acquisition of Quantile Group Limited (Quantile) in 2022 – £17 million (2022: nil).
— Refinitiv acquisition costs – £39 million (2022: £36 million) mainly relating to changes in the tax indemnity receivable from and payable to Thomson Reuters.

Integration and separation costs mainly consist of costs to integrate Refinitiv of £209 million (2022: £242 million) and other recent acquisitions.

Prior to the acquisition of Acadia on 31 March 2023, LSEG held a 14% equity interest in Acadia. The acquisition date fair value of the previously held interest resulted in a **remeasurement gain** of £69 million (see note 21.1). In 2022, the acquisition of Global Data Consortium, Inc. (GDC) resulted in a £23 million remeasurement gain on the previously held 11% interest.

Amortisation and impairment of intangible assets of £1,205 million (2022: £1,044 million) mainly relates to the amortisation of intangible assets recognised as a result of the acquisition of Refinitiv.

We have continued to review our property needs following the acquisition of Refinitiv. This has resulted in **impairment** of right-of-use property assets of £22 million (2022: £12 million).

The non-underlying **tax** benefit of £378 million (2022: £278 million) mainly reflects the tax impact of the Group's non-underlying items (computed based on the tax rates applicable to the respective territories).

2.4 Segment assets

Total non-current assets (excluding financial instruments, deferred tax assets and retirement benefit assets) broken down by asset location, is shown in the following table:

	2023 £m	2022 £m
UK	**8,760**	9,340
USA	**19,853**	20,882
Europe, excluding UK	**3,823**	4,174
Asia	**1,078**	1,104
Other	**377**	397
Total	**33,891**	35,897

3. Total income and contract liabilities

We report total income, which consists of revenue, net treasury income and other income. Most of the Group's revenue is generated by the Data & Analytics division. By geographic location, around two-thirds of the Group's revenue is earned in the UK and USA.

3.1. Total income

Accounting policy
Revenue
The main source of revenue for the Group is fees for services provided. Revenue is measured based on the consideration specified in a contract with a customer. The following are excluded from revenue:
— value added tax and other sales related taxes;
— certain revenue share arrangements (whereby as part of an agreement amounts are due back to the customer); and
— certain pass-through costs where the Group acts as an agent and has arrangements to recover specific costs from its customers with no mark-up.

The Group recognises revenue as services are performed and as it satisfies its obligations to provide a product or service to a customer. The Group's revenue accounting policies are set out below:

3. Total income and contract liabilities continued

Data & Analytics	The Data & Analytics division generates revenue by providing information and data products including indexes, benchmarks, real-time pricing data and trade reporting and reconciliation services. **Data subscription and index licence fees** are recognised over the licence or usage period in line with the Group's obligation to deliver data consistently throughout the licence period. Services are billed on a monthly, quarterly or annual basis. **Other information services** include licences to the regulatory news service and reference data businesses. Revenue from licences that grant the right to access intellectual property are recognised over time, consistent with the pattern of the service provision and how the performance obligation is satisfied throughout the licence period. Revenues from the sale of right to use licences are recognised at the point the licence is granted or service is delivered. Various **brokerage processing, risk solutions and professional services**, which are generally billed in arrears, are recognised as revenue at the point in time when the Group meets its obligation to complete the transaction or service. **Recoveries** consist of fees for third-party content, such as exchange data that is distributed directly to customers, and communications fees. Recoveries are generally recognised over the contract term.
Capital Markets	Revenue in the Capital Markets division is generated from: Primary and Secondary market services; contracts to develop capital market technology solutions; software licences; network connections; and hosting services. We have assessed that **primary market initial admission and the ongoing listing services** represent one performance obligation. The Group therefore recognises revenue from initial admission and any subsequent issues over the period that the Group provides the listing services. All admission fees are billed to the customer at the time of admission to trading and become payable when invoiced. The estimated period for listing services (over which initial admission fees are spread) is determined with reference to historical analysis of listing durations in respect of the companies on our markets. The estimated service period inherently incorporates an element of uncertainty in relation to the length of a customer listing, which is subject to factors outside the Group's control. It also includes a forward-looking element in respect of the expected listing period based on market movements. We reassess the estimated service periods at each reporting date. The current estimated deferral period is five years or seven years, depending on the market. Deferral periods are calculated by grouping contracts based on similar performance obligations. We estimate that a one-year decrease in the deferral period would cause an estimated £25 million increase in revenue and a one-year increase in the deferral period would cause an estimated £24 million decrease in revenue recognised in the year. **Primary market annual fees, secondary market membership and subscription fees** are generally paid in advance on the first day of membership or the subscription period. The Group recognises revenue on a straight-line basis over the period to which the fee relates, as this reflects the extent of the Group's progress towards completion of the performance obligation under the contract. Revenue from **secondary market trading and associated capital market services** is recognised on a per transaction basis at the point that the service is provided. **Capital markets software licence** contracts contain multiple deliverables including: providing licences; installing software; and ongoing maintenance services. The transaction price for each contract is allocated to these performance obligations based upon the relative standalone selling price. Revenue is recognised based on the actual service provided during the reporting period as a proportion of the total services to be provided. This is determined by measuring the inputs consumed in delivering the service (for example material and labour) relative to the total expected input consumption over the contract. This best reflects the transfer of economic benefits to the customer which generally occurs as the Group incurs costs on the contract. **Transaction and commission fees** are earned from transactions that are executed on the Group's electronic marketplaces. Revenue is recognised on the transaction date which is when performance obligations are deemed to have been satisfied. For variable transaction fees and commissions, this represents a fee based on the mix of products and the volume of transactions previously traded or executed when an individual transaction occurs. Revenue is only recognised to the extent that it is highly probable that a significant reversal of the revenue will not occur ('minimum expected revenue'). **Network connection, subscription and hosting services** revenues are recognised on a straight-line basis over the period to which the fee relates as this reflects the continuous transfer of technology services and measures the extent of progress towards the completion of the performance obligation.
Post Trade	Revenue in the Post Trade division is generated from clearing, settlement and other post trade services. **Over-the-counter (OTC) derivatives, and securities clearing and reporting** generate fees from: individual transactions or contracts cleared and settled; transaction reporting; risk management; and other financial resources management services. These revenues are earned at the point in time when the Group meets its obligations to complete the transaction or service. Revenue is recognised and billed monthly in arrears. Certain customers have a fixed-fee arrangement which is not linked to individual transactions and this revenue is recognised over time as the Group fulfils its obligations to maintain the availability of the clearing system to that customer. **Non-cash collateral** fees are earned from handling non-cash collateral balances. The fees are recognised as revenue on a straight-line basis over the service period, representing the continuous transfer of services during that time. Fees received for third-party content or services, such as settlement fees, are recognised net within revenue on the date of the transaction.

3. Total income and contract liabilities continued

Those customer contracts across the Group that contain a single performance obligation at a fixed price do not require variable consideration to be calculated. However, some businesses in the Group provide services to customers under a tiered or tariff pricing structure that generates a degree of variability in the revenue streams from the contract as a result of additional charges or discounts given. Where the future revenue from a contract varies due to factors that are outside the Group's control, the Group limits the total transaction price at contract inception and recognises the minimum expected revenue guaranteed by the terms of the contract over the contract period. Any variable element is subsequently recognised in the period in which the variable condition is satisfied and there is no significant risk of reversal of that revenue.

Rebates given to customers as part of an operating agreement are calculated on a pro-rata basis on revenue earned and recognised as they fall due.

The Group does not have any contracts where the period between the transfer of services to a customer and when the customer is expected to pay for that service is longer than one year. As a result, no adjustments are made to revenue for any financing component.

Net treasury income
Net treasury income is generated from two sources. Firstly, the CCP businesses securely invest the cash collateral lodged with them and earn treasury income from various investments (including government debt and reverse repos) and cash deposits with central banks. At the same time, the CCPs pay interest at an overnight benchmark rate to their members on the collateral placed with the business, whilst charging a spread on that rate as a fee. This spread provides the second source of income. The resulting net treasury income is recognised within total income and disclosed separately from revenue.

Other income
Other income typically relates to operating lease income and fees from service agreements. Such fees are generated from the provision of events and media services, which are typically recognised at the point the service is rendered.

Cost of sales
Cost of sales comprises:
— Data and licence fees;
— Data feed costs;
— Royalties;
— Expenses incurred in respect of profit share arrangements;
— Costs directly attributable to the construction and delivery of goods or services; and
— Any other costs linked and directly incurred to generate revenues and provide services to customers.

Profit share expenses recognised as cost of sales relate to a small number of arrangements with certain customers where the payment to the customer is linked to the total profit of the particular business concerned.

3. Total income and contract liabilities continued

The Group's revenue disaggregated by segment, major product and service line, and timing of revenue recognition for the year ended 31 December 2023 is shown below:

Continuing operations	Note	Data & Analytics £m	Capital Markets £m	Post Trade £m	Other £m	Group £m
Revenue from external customers						
Major product and service lines						
Trading & banking solutions[1]		**1,656**	**–**	**–**	**–**	**1,656**
Enterprise data solutions[1]		**1,411**	**–**	**–**	**–**	**1,411**
Investment solutions		**1,423**	**–**	**–**	**–**	**1,423**
Wealth solutions		**285**	**–**	**–**	**–**	**285**
Customer & third-party risk solutions		**492**	**–**	**–**	**–**	**492**
Recoveries[1]		**370**	**–**	**–**	**–**	**370**
Equities		**–**	**227**	**–**	**–**	**227**
FX		**–**	**251**	**–**	**–**	**251**
Fixed income, derivatives and other		**–**	**1,068**	**–**	**–**	**1,068**
OTC derivatives		**–**	**–**	**517**	**–**	**517**
Securities & reporting		**–**	**–**	**254**	**–**	**254**
Non-cash collateral		**–**	**–**	**107**	**–**	**107**
Total revenue		**5,637**	**1,546**	**878**	**–**	**8,061**
Net treasury income	3.2	**–**	**–**	**289**	**–**	**289**
Other income		**–**	**–**	**–**	**29**	**29**
Total income		**5,637**	**1,546**	**1,167**	**29**	**8,379**
Timing of revenue recognition						
Services satisfied at a point in time		**201**	**1,055**	**458**	**–**	**1,714**
Services satisfied over time		**5,436**	**491**	**420**	**–**	**6,347**
Total revenue		**5,637**	**1,546**	**878**	**–**	**8,061**

1 From 1 January 2023 onwards, foreign exchange related items associated with embedded derivatives, previously included in Recoveries have been recognised within the appropriate Data & Analytics revenue lines, primarily Trading & banking solutions and Enterprise data solutions, as this is where the corresponding contractual revenue is recorded. The 2022 results have not been restated. In 2022, the embedded derivatives foreign exchange impact reduced Recoveries by £43 million.

3. Total income and contract liabilities continued

The Group's revenue disaggregated by segment, major product and service line, and timing of revenue recognition for the year ended 31 December 2022 is shown below:

Continuing operations	Note	Data & Analytics £m	Capital Markets £m	Post Trade £m	Other £m	Group £m
Revenue from external customers						
Major product and service lines						
Trading & banking solutions		1,612	–	–	–	1,612
Enterprise data solutions		1,307	–	–	–	1,307
Investment solutions		1,325	–	–	–	1,325
Wealth solutions		275	–	–	–	275
Customer & third-party risk solutions		425	–	–	–	425
Recoveries		315	–	–	–	315
Equities		–	248	–	–	248
FX		–	258	–	–	258
Fixed income, derivatives and other		–	953	–	–	953
OTC derivatives		–	–	402	–	402
Securities & reporting		–	–	234	–	234
Non-cash collateral		–	–	100	–	100
Total revenue		5,259	1,459	736	–	7,454
Net treasury income	3.2	–	–	255	–	255
Other income		–	–	–	34	34
Total income		5,259	1,459	991	34	7,743
Timing of revenue recognition[1]						
Services satisfied at a point in time		173	978	393	–	1,544
Services satisfied over time		5,086	481	343	–	5,910
Total revenue		5,259	1,459	736	–	7,454

1 In 2023, the timing of revenue recognition classification was assessed and has resulted in 2022 revenue of £37 million and £328 million, for Capital Markets and Post Trade respectively, previously classified as at a point in time now being shown as over time.

3.2 Net treasury income

Net treasury income is earned from instruments held at amortised cost or fair value as follows:

Continuing operations	2023 £m	2022[1] £m
Instruments held at amortised cost		
Treasury income on assets	**4,122**	994
Treasury income on liabilities[2]	**–**	218
Treasury expense on assets[2]	**(959)**	(159)
Treasury expense on liabilities	**(4,041)**	(1,352)
Cash collateral fee	**272**	230
Net expense from instruments held at amortised cost	**(606)**	(69)
Instruments held at fair value		
Treasury income	**896**	326
Treasury expense	**(1)**	(2)
Net income from instruments held at fair value	**895**	324
Net treasury income	**289**	255

1 For 2022, treasury income and expense on assets and liabilities held at amortised cost and at fair value have been represented to show the gross income and expenses by category, which is consistent with disclosure for 2023.
2 Treasury income on liabilities and treasury expense on assets represent amounts that earned negative interest rates.

3.3 Total revenue by geographical location

The Group's revenue from continuing operations disaggregated by geographical location of service provided is as follows:

Continuing operations	2023 £m	2022 £m
UK	**2,494**	2,292
USA	**2,953**	2,685
Europe, excluding UK	**1,198**	1,111
Asia	**993**	963
Other	**423**	403
Total revenue	**8,061**	7,454

3. Total income and contract liabilities continued

3.4 Contract liabilities

We report contract liabilities where amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Group receives an advance payment from a customer.

Accounting policy
In some instances, we receive consideration, or an amount of consideration is due, in relation to our obligation to transfer goods or services to a customer in the future. Revenue relating to these future periods is classified as a contract liability on the balance sheet.

Contract liabilities are amortised and recognised as revenue over the period the services are rendered.

The Group has the following contract liabilities:

Group	2023 £m	2022 £m
Current	273	257
Non-current	72	89
Total contract liabilities	**345**	346

The changes in the Group's contract liabilities during the year are as follows:

	2023 £m	2022 £m
1 January	346	346
Contract liabilities assumed on acquisition of subsidiaries	16	4
Disposal of business	–	(11)
Recognised as revenue during the year	(270)	(249)
Deferred during the year	272	243
Foreign exchange translation	(19)	13
31 December	**345**	346

4. Operating expenses before depreciation, amortisation and impairment

Operating expenses mainly relate to staff costs, IT costs and professional fees. This note provides a breakdown of our operating expenses as well as providing further detail on our headcount and fees to auditors.

Accounting policy
Costs are recognised in the income statement as incurred and measured after deducting any time- and value-limited discounts from suppliers. Other discounts are spread over the contract term.

Continuing operations	Notes	2023 £m	2022 £m
Staff costs	4.1	2,085	1,896
IT costs		607	567
Professional fees		404	420
Short-term lease costs		13	13
Other costs		333	243
Foreign exchange losses		32	1
Adjusted operating expenses before depreciation, amortisation and impairment		**3,474**	3,140
Non-underlying operating expenses before depreciation, amortisation and impairment	2.3	**332**	389
Total operating expenses before depreciation, amortisation and impairment		**3,806**	3,529

4. Operating expenses before depreciation, amortisation and impairment continued

4.1 Staff costs and employees

This note shows amounts earned by employees, the average number of employees during the year and their location and amounts paid to "key management personnel" as defined by IAS 24 Related Party Disclosures. The Group recognises all directors and the Executive Committee (see pages 94 to 97) as its key management personnel.

Staff costs

Continuing operations	Notes	**2023 £m**	2022 £m
Salaries and other benefits		**2,159**	1,905
Social security costs		**204**	191
Pension costs	12.1	**101**	81
Share-based payment expense	20	**143**	158
Total payments made to employees		**2,607**	2,335
Amounts capitalised as development costs	9	**(365)**	(281)
Total staff costs from continuing operations		**2.242**	2,054

Adjusted staff costs	**2,085**	1,896
Non-underlying staff costs	**157**	158
Total staff costs from continuing operations	**2,242**	2,054

Discontinued operations	Note	**2023 £m**	2022 £m
Salaries and other benefits		**–**	18
Social security costs		**–**	2
Pension costs		**–**	1
Total payments made to employees		**–**	21
Amounts capitalised as development costs	9	**–**	(1)
Total staff costs from discontinued operations		**–**	20

Compensation for key management personnel

	2023 £m	2022 £m
Salaries and other benefits	**18**	16
Pension costs	**1**	1
Share-based payments	**9**	8
Total compensation	**28**	25

Details of Directors' emoluments are included in the Remuneration Report on pages 117 to 153.

Employees

The average number of employees during the year, including executive directors, in continuing operations was:

Continuing operations	**2023**	2022
UK	**4,880**	4,559
USA	**3,276**	3,127
India	**6,730**	6,113
Europe, excluding UK	**2,723**	2,292
Philippines	**2,254**	2,090
Sri Lanka	**1,613**	1,572
China	**1,394**	1,452
Other Asia	**2,064**	1,860
Africa and Middle East	**620**	623
Other	**676**	753
Average number of employees[1]	**26,230**	24,441

1 Average employee numbers represent full time equivalent members of staff. They are calculated from the date of acquisition of subsidiary companies purchased in the year and up to the date of disposal of businesses sold in the year. The average number of employees from discontinued operations during the year was nil (2022: 285). Employees from discontinued operations in 2022 were located in the USA and India.

4.2 Auditors' fees

Professional fees include fees paid or payable to the Company's auditors, Ernst and Young LLP, and its associates and are analysed below:

	2023 £m	2022 £m
Audit of parent and consolidated financial statements	**7**	6
Audit of subsidiary companies	**7**	7
Non-audit services[1]	**1**	1
Total auditors' fees	**15**	14

1 Ernst and Young LLP provided non-audit services of £0.7 million; 5% of total fees (2022: £0.6 million; 4% of total fees). This comprised audit related assurance services of £0.4 million (2022: £0.4 million) and other non-audit services of £0.3 million (2022: £0.2 million). Further details of the services provided by Ernst and Young LLP are given in the Report of the Audit Committee on pages 109 to 114.

5. Net finance costs

Finance income includes interest on cash deposits and interest income on retirement benefit assets. Finance costs include interest on borrowings, interest costs on retirement benefit obligations and lease interest expense. Net finance costs also include foreign exchange gains or losses associated with corporate treasury.

Accounting policy

The accounting policies for the following finance income and finance costs are described in the relevant notes to the financial statements:

	Note	
— Interest income on retirement benefit assets — Interest costs on retirement benefit obligations	12	Pension and other retirement benefit schemes
— Interest on borrowings	16.1	Borrowings
— Lease interest income — Lease interest expense	16.2	Lease liabilities and net investments in leases

Interest earned on cash deposited with financial counterparties and interest paid on borrowings, which reflects the agreed market-based or contractual rate for each transaction, are calculated using the effective interest method. Where negative interest rates apply, the Group recognises interest paid on cash deposits as an expense and interest received on borrowings as income.

Recurring fees and charges levied on committed bank facilities, cash management transactions and the payment services provided by the Group's banks are charged as accrued in other finance costs. Credit facility arrangement fees are capitalised and then amortised over the term of the facility based on the projected utilisation of the facility.

5.1 Finance income

Continuing operations	Notes	2023 £m	2022 £m
Bank deposit and other interest income[1]		**125**	29
Derivative financial instruments interest income		**22**	–
Fair value gain on derivative financial instruments and hedged items	17.4c	**2**	–
Net interest income on net retirement benefit assets[2]	12.1	**8**	11
Lease interest income[1]		**1**	1
Other finance income		**1**	–
Adjusted finance income		**159**	41

1 Calculated using the effective interest method.
2 For 2022, interest cost on retirement benefit obligations of £70 million had been presented as finance costs. This has been reclassified to net interest income on net retirement benefit assets to align with the accounting policy. This change has no overall impact on net finance costs in 2022.

5.2 Finance costs

Continuing operations	Notes	2023 £m	2022 £m
Interest payable on bank and other borrowings[1,2]		**(222)**	(148)
Derivative financial instruments interest expense		**(42)**	(15)
Fair value loss on derivatives financial instruments		**(5)**	–
Amortisation of arrangement fees[1]		**(3)**	(3)
Lease interest expense[1]	16.2	**(17)**	(15)
Foreign exchange losses[3]		**(30)**	–
Other finance expenses		**(10)**	(20)
Adjusted finance costs[4]		**(329)**	(201)
Non-underlying finance costs	2.3	**(6)**	(16)
Total finance costs[4]		**(335)**	(217)

1 Calculated using the effective interest method.
2 Interest payable on bank and other borrowings is net of amortisation of the realised gain on interest rate derivatives held in the hedging reserve.
3 From 1 January 2023 onwards, foreign exchange related items associated with corporate treasury transactions and other borrowings, previously included in operating expenses before depreciation, amortisation and impairment, have been recognised within net finance costs. The 2022 results have not been restated. In 2022, operating expense before depreciation, amortisation and impairment had included foreign exchange gains of £9 million for such items.
4 For 2022, interest cost on retirement benefit obligations of £70 million had been presented within finance costs. This has been reclassified to net interest income on net retirement benefit assets to align with the accounting policy. This change has no overall impact on net finance costs in 2022.

6. Taxation

This note explains how our Group tax charge arises. The note also provides information on deferred tax and uncertain tax positions.

Accounting policy
Income tax comprises current and deferred tax. Current and deferred tax charges and benefits are recognised in the income statement except to the extent that they relate to items recognised directly in equity or other comprehensive income.

Current income tax is calculated based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities.

Deferred tax is the tax expected to be payable or recoverable in the future on differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax is accounted for using the liability method and calculated using tax rates that are substantively enacted and expected to apply in the period when the asset is realised or the liability settled.

Deferred tax is not recognised for:
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither the accounting profit nor taxable profit; and
- Temporary differences arising on the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with interests in subsidiaries and associates, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such interests are recognised only to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

On 23 May 2023, the International Accounting Standards Board (IASB) issued International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12, which the Group has adopted. The Amendments provide a temporary mandatory exception from deferred tax accounting for the **global minimum top-up tax**, which is effective immediately, and require new disclosures about the Group's exposure to Pillar Two income taxes (see note 6.1). The mandatory exception applies retrospectively to the Group from 1 January 2023, however the retrospective application has no impact on the Group's consolidated financial statements.

6.1 Income tax

Tax recognised in the income statement

Continuing operations	Notes	2023 £m	2022 £m
Current tax			
UK corporation tax for the year at 23.5% (2022: 19%)		**73**	67
Overseas tax for the year		**202**	125
Adjustments in respect of previous years		**(6)**	81
Total current tax		**269**	273
Deferred tax			
Deferred tax expense/(benefit) for the year		**61**	(29)
Adjustments in respect of previous years		**(27)**	(4)
Deferred tax (benefit)/expense in relation to amortisation and impairment of intangible assets		**(56)**	22
Total deferred tax	6.2	**(22)**	(11)
Total tax		**247**	262
Adjusted tax		**625**	540
Non-underlying tax	2.3	**(378)**	(278)
Total tax		**247**	262

Factors affecting the tax charge for the year
On 24 May 2021, the UK Finance Act 2021 was substantively enacted, increasing the corporate tax rate from 19% to 25% with effect from 1 April 2023. This means that the blended tax rate for the year ended 31 December 2023 as a whole was 23.5%.

6. Taxation continued

The tax charge for the year differs from that derived from the standard rate of corporation tax in the UK of 23.5% (2022: 19%) as explained below:

Continuing operations	2023 £m	2022 £m
Profit before tax from continuing operations	**1,195**	1,241
Profit multiplied by standard rate of corporation tax in the UK	**281**	236
Overseas earnings taxed at higher rate	**36**	4
Adjustment arising from changes in tax rates	**(44)**	(3)
Expenses not deductible/(income not taxable)	**2**	(53)
Adjustments in respect of previous years	**(33)**	77
Deferred tax not recognised	**5**	1
Total tax	**247**	262

Tax on items recognised in other comprehensive income

Continuing operations	2023 £m	2022 £m
Deferred tax (expense)/benefit on:		
— Actuarial movements on retirement benefit obligations	**(35)**	98
— Gains/losses of financial assets (at fair value through other comprehensive income)	**2**	(13)
Total tax recognised in other comprehensive income	**(33)**	85

Tax on items recognised in equity

	2023 £m	2022 £m
Current tax benefit on:		
— Share-based payments in excess of expense recognised	**–**	14
Total current tax recognised in equity	**–**	14
Deferred tax benefit/(expense) on:		
— Share-based payments less than/in excess of expense recognised	**15**	(92)
— Investment in partnerships (recognised in non-controlling interests)	**62**	100
— Other	**2**	–
Total deferred tax recognised in equity	**79**	8
Total tax recognised in equity	**79**	22

Global Minimum Tax

To address concerns about uneven profit distribution and the tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 countries to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework, followed by detailed guidance in 2022 and 2023.

The Group operates globally including in jurisdictions which have enacted new legislation to implement the global minimum top-up tax. Since the newly enacted tax legislation is only effective from 1 January 2024, there is no current tax impact for the year ended 31 December 2023.

The Group has applied a mandatory temporary exception from deferred tax accounting for the impacts of the top-up tax and will account for it as a current tax when it is incurred. If the new tax legislation had applied in 2023, there would have been no material top-up tax for the Group, and overall the Group does not expect a material impact from these rules.

6.2 Net deferred tax liabilities

	2023 £m	2022 £m
Deferred tax assets	**664**	622
Deferred tax liabilities	**(2,140)**	(2,200)
Net deferred tax liabilities	**(1,476)**	(1,578)

6. Taxation continued

The movements in deferred tax assets and liabilities during the year are shown below:

Group	Note	Goodwill and intangible assets[1] £m	Tax losses and other carry-forward attributes £m	Property, plant and equipment £m	Share schemes £m	Retirement benefit obligations £m	Investment in partnerships[2] £m	Provisions and other temporary differences £m	Total £m
1 January 2022		(2,282)	444	129	123	(130)	351	38	(1,327)
Deferred tax on acquisition of subsidiaries		(87)	24	–	–	–	–	–	(63)
Tax recognised on discontinued operations		(77)	(69)	–	–	–	–	9	(137)
Tax recognised in the income statement		(79)	153	(46)	12	(13)	(43)	27	11
Tax recognised in other comprehensive income		–	–	–	–	98	–	(13)	85
Tax recognised in equity		(3)	–	–	(92)	–	102	1	8
Foreign exchange translation and other		(288)	65	4	10	–	44	10	(155)
31 December 2022		(2,816)	617	87	53	(45)	454	72	(1,578)
Deferred tax on acquisition of subsidiaries	21.2	**(77)**	**11**	**–**	**–**	**–**	**–**	**3**	**(63)**
Tax recognised in the income statement		**74**	**(27)**	**(17)**	**(1)**	**43**	**(24)**	**(26)**	**22**
Tax recognised in other comprehensive income		**–**	**–**	**–**	**–**	**(35)**	**–**	**2**	**(33)**
Tax recognised in equity		**–**	**–**	**–**	**15**	**–**	**62**	**2**	**79**
Foreign exchange translation and other		**151**	**(26)**	**(1)**	**(2)**	**(3)**	**(26)**	**4**	**97**
31 December 2023		**(2,668)**	**575**	**69**	**65**	**(40)**	**466**	**57**	**(1,476)**

1 The intangible assets have mainly arisen from acquired subsidiaries, creating a deferred tax liability due to the difference between their accounting and tax treatment. On 31 December 2023 this liability was £2,668 million (2022: £2,816 million), primarily relating to the Refinitiv acquisition.

2 Tradeweb Markets LLC is a multiple member limited liability company taxed as a partnership and accordingly, any taxable income generated by Tradeweb Markets LLC is passed through to its members. The investment in partnership deferred tax asset is the difference between the financial statement amount and the tax basis of the Tradeweb Markets Inc. investment in Tradeweb Markets LLC.

On 22 November 2023, the UK Autumn Statement announced that from 6 April 2024 the free-standing tax charge that applies to authorised surplus payments to sponsoring employers of a registered defined benefit pension scheme will reduce from 35% to 25%. As this change is not yet substantively enacted, the Group utilises the 35% tax rate for deferred tax liability measurement on UK pension surpluses at the balance sheet date. This change would decrease the deferred tax liability by £16 million.

Unrecognised deferred tax assets

On 31 December 2023, the gross amount of unrecognised temporary differences in respect of losses available for carry forward was £127 million (2022: £122 million), all with unlimited expiration.

The assets will be recognised in the future only if suitable forecast taxable profit arises within the Group.

6. Taxation continued

6.3. Uncertain tax positions[1]

Significant accounting judgements and estimates
Uncertain tax positions
The Group is subject to taxation in the many countries in which it operates. The tax legislation of these countries differs, is often complex and can be subject to interpretation by management and government authorities. These matters of judgement sometimes give rise to the need to create provisions for tax payments that may arise in future years with respect to transactions already undertaken.

Provisions are made against individual exposures and take into account the specific circumstances of each case, including the strength of technical arguments, recent case law decisions or rulings on similar issues and relevant external advice. In accordance with IFRIC 23 *Uncertainty over Income Tax Treatments*, provisions are estimated based on one of two methods:
— the expected value method (the sum of the probability weighted amounts in a range of possible outcomes); or
— the single most likely amount method.

The method chosen depends on which is expected to better predict the resolution of the uncertainty. Due to the uncertainty associated with tax audits it is possible that, at some future date, liabilities resulting from such audits or related litigation could vary significantly from our provisions. This would require the Group to make an adjustment in a subsequent period which could have a material impact on the Group's results.

EU State Aid
The Group continues to monitor developments in relation to EU State Aid investigations. On 25 April 2019, the EU Commission's final decision regarding its investigation into the UK's Controlled Foreign Company (CFC) regime was published. It concluded that the Finance Company Partial Exemption (FCPE) rules in the UK tax legislation partially represent illegal State Aid. The Group had financing arrangements that utilised the FCPE.

In December 2019 and the beginning of 2021, HMRC issued determinations to the Group totalling £11 million which the Group paid.

The Group, several other UK PLCs and the UK Government submitted appeals to the EU General Court to annul the EU Commission's findings. On 8 June 2022, the EU General Court rejected the appeals. The Group has appealed this decision to the Court of Justice of the European Union (CJEU). On 10 January 2024, an oral hearing at the CJEU was held and a non-binding opinion from the Advocate General is expected to be issued in April 2024. The final decision will follow in the months thereafter. Until the issue is concluded, the UK Government is required to continue recovering amounts determined to be State Aid.

The Group's view continues to be that no provision is required. Additionally, and in accordance with IFRIC 23 *Uncertainty over Income Tax Treatments*, the Group continues to recognise a receivable against the HMRC determinations paid to date of £11 million. The potential exposure remains between nil and £65 million.

IRS Audit
The Group is under audit in the USA by the Internal Revenue Service (IRS) in relation to the interest rate applied on certain cross-border intercompany loans from the UK to the USA for the 2016-2021 period. Management believes that resolution of this matter will not have a material impact on the Group's financial position.

HMRC audit of intellectual property valuation
HMRC is auditing the value of certain intellectual property purchased from Thomson Reuters as part of the formation of Refinitiv. Intellectual property valuation is complex and significantly affected by multiple inputs of assumptions. As the outcome is uncertain, especially given the inherent subjectivity of the topic, the Group has recorded an uncertain tax liability in accordance with the requirements of IFRS. Management and HMRC have made progress but continue to actively discuss this topic. Management believes that resolution of this matter will not have a material impact on the Group's financial position.

Diverted Profits Tax to Thomson Reuters
HMRC has issued notices of assessment under the Diverted Profits Tax (DPT) regime to Thomson Reuters largely related to its Financial & Risk Business for years prior to the sale of the business to Refinitiv. As required by the notices and as directed by Thomson Reuters, the Group has made payments to HMRC which were immediately reimbursed by Thomson Reuters in accordance with an indemnity agreement (described in note 13 and note 15). Thomson Reuters does not agree with the assessments. To the extent the Group receives any refunds of these payments, such refunds are remitted to Thomson Reuters in accordance with the indemnity agreement.

Russian tax audit
The Group is under audit by the Russian Tax Authorities for the 2018-2020 period and continues to engage on this topic. We have recorded an uncertain tax liability in accordance with the requirements of IFRS. Management believes that resolution of this matter will not have a material impact on the Group's financial position.

1 Amounts presented exclude any interest and penalties.

7. Earnings per share

Earnings per share is presented on four bases: basic earnings per share, diluted earnings per share, adjusted basic earnings per share and adjusted diluted earnings per share. Earnings per share is calculated as the Group's profit for the financial year divided by the weighted average number of shares in issue during the year.

Accounting policy
Basic earnings per share is in respect of all activities. Diluted earnings per share takes into account the dilutive effect that would arise on conversion or vesting of all outstanding share options and share awards under the Group's share option and award schemes. Adjusted basic earnings per share and adjusted diluted earnings per share exclude non-underlying items from earnings.

	2023			2022		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Basic earnings per share	138.9p	–	138.9p	141.8p	91.9p	233.8p
Diluted earnings per share	138.1p	–	138.1p	141.1p	91.4p	232.5p
Adjusted basic earnings per share	323.9p	–	323.9p	317.8p	10.6p	328.4p
Adjusted diluted earnings per share	322.1p	–	322.1p	316.1p	10.5p	326.6p

7.1 Profit and adjusted profit for the year attributable to the Company's equity holders

		2023			2022		
	Note	Continuing £m	Discontinued £m	Total £m	Continuing £m	Discontinued £m	Total £m
Profit for the financial year attributable to the Company's equity holders		761	–	761	790	512	1,302
Adjustments:							
— Total non-underlying items net of tax	2.3	1,119	–	1,119	1,049	(453)	596
— Non-underlying items attributable to non-controlling interests		(105)	–	(105)	(69)	–	(69)
Adjusted profit for the year attributable to the Company's equity holders		1,775	–	1,775	1,770	59	1,829

7.2 Weighted average number of shares[1,2]

	2023 millions	2022 millions
Weighted average number of shares[1,2]	548	557
Dilutive effect of share options and awards	3	3
Diluted weighted average number of shares	551	560

1 The weighted average number of shares excludes treasury shares and those held in the Employee Benefit Trust.
2 For the number of shares as at 31 December 2023, see note 18.1.

8. Dividends

We seek to reward our shareholders through the payment of dividends. The interim dividend is generally paid in September and the final dividend in May.

Accounting policy
Dividend distributions to the Company's equity holders are recognised as a liability in the Group financial statements in the period in which the dividends are approved by the Company's shareholders.

	2023 £m	2022 £m
Final dividend for the year ended 31 December 2021 paid 25 May 2022: 70.0p per ordinary share	**–**	390
Interim dividend for the year ended 31 December 2022 paid 20 September 2022: 31.7p per ordinary share	**–**	177
Final dividend for the year ended 31 December 2022 paid 24 May 2023: 75.3p per ordinary share	**415**	–
Interim dividend for the year ended 31 December 2023 paid 20 September 2023: 35.7p per ordinary share	**196**	–
	611	567

Dividends are only paid out of available distributable reserves of the Company.

The Board has proposed a final dividend in respect of the year ended 31 December 2023 of 79.3p per share, which amounts to an expected payment of £428 million on 22 May 2024. This is not reflected in the financial statements.

9. Intangible assets

The balance sheet includes significant intangible assets, mainly in relation to goodwill, customer and supplier relationships, and internally developed software. Goodwill arises when we acquire a business and pay an amount higher than the fair value of its net assets primarily due to the synergies we expect to create. Goodwill is not amortised but is subject to annual impairment reviews. Purchased and other intangible assets are amortised over their useful economic lives.

Accounting policy
Goodwill
Goodwill arising on the acquisition of a business is initially measured at cost, being the amount by which the aggregate of the consideration transferred and the amount recognised for any non-controlling interests (plus any previous interest held), exceeds the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, on the date of acquisition, goodwill acquired in a business combination is allocated to one or more of the Group's cash-generating units (CGUs) that are expected to benefit from the combination.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount when determining its gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Purchased intangible assets
Purchased intangible assets are initially recognised at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. This is determined using valuation methodologies such as the multi-period excess earnings method (MEEM) or relief from royalty. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

These assets are amortised as follows:

Assets	**Amortisation method**	**Amortisation period or useful economic life**
Customer and supplier relationships	Straight-line basis	5 to 25 years
Brands	Straight-line basis	4 to 25 years
Databases and content	Straight-line basis	5 to 12 years
Software	Straight-line basis or reducing balance basis	10 to 15 years
Licences and intellectual property	Straight-line basis	3 to 25 years

9. Intangible assets continued

The useful economic life and amortisation method are reviewed at each balance sheet date. If there has been a change in the expected useful economic life or the expected pattern of consumption of future economic benefits embodied by an asset, then the useful economic life or amortisation method is changed accordingly.

The Group considers the following indicators, as a minimum, that may show that the useful economic life or amortisation method of an asset may require a change:
- whether there have been any changes to legal, regulatory or contractual provisions;
- whether there has been any experience in renewing or extending related licensing agreements;
- whether the effects of obsolescence, demand, competition or maintenance may impact the life of the asset;
- the expected future performance of the business related to the asset; and
- for customer and supplier relationship assets, the attrition rate of customers versus initial expected attrition rates set out at acquisition.

Software and other
Internally developed software
Expenditure on internal product development, including expenditure related to cloud computing arrangements, is capitalised if:
- the costs can be reliably measured;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Group has sufficient resources to complete the development and to use or sell the asset.

The assets are initially recorded at cost, which includes labour, directly attributable costs and any third-party expenses. They are then amortised over their useful economic lives of 3 to 12 years. The majority of material assets are amortised over a life not exceeding 5 years.

Third-party software costs for the development and implementation of systems which enhance the services provided by the Group are capitalised and amortised over their estimated useful economic lives of 3 to 5 years.

Contract costs
Incremental costs of obtaining a customer contract, such as sales commissions paid to employees, are recognised as an intangible asset if the benefit of such costs is expected to be longer than one year. The asset is initially recognised at cost and is amortised over the period that a customer benefits from the associated software technology supporting the underlying product or service. The Group has determined this to be between 3 and 5 years.

The Group recognises the incremental cost of obtaining a contract as an expense when incurred, if the amortisation period is less than one year.

Impairment of intangible assets, including goodwill
Goodwill is tested for impairment annually. Any goodwill impairment is determined by assessing the recoverable amount of each CGU. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets are assessed for any indicators of impairment at each balance sheet date. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised when the recoverable amount of the asset, or CGU, is less than its carrying amount. Impairment losses are recognised in the income statement within depreciation, amortisation and impairment. CGU impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

Significant accounting estimates and assumptions
Intangible assets acquired as part of a business combination
The fair value of acquired intangible assets (and therefore the resulting goodwill recognised on acquisition) is significantly affected by a number of factors. These include management's best estimates of future performance (i.e. forecast revenue, expected revenue attrition, forecast operating margin), any contributory assets charges and estimates of the return required to determine an appropriate discount rate (in order to calculate the net present value of the assets).

Recoverable amounts of CGUs
The recoverable amounts of CGUs are based on value-in-use calculations. The value-in-use calculations use cash flow projections based on business plans prepared by management for the three-year period ending 31 December 2026. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGUs.

Estimated useful economic lives
Intangible assets are amortised over their estimated useful economic lives, being management's best estimate of the period over which value from the intangible assets is realised. In determining useful economic life, management considers a number of factors including: customer attrition rates; product upgrade cycles for software and technology assets; market participant perspectives of brands; and pace of change of regulation.

9. Intangible assets continued

	Note	Goodwill £m	Purchased intangible assets: Customer and supplier relationships £m	Purchased intangible assets: Brands £m	Purchased intangible assets: Databases and content £m	Purchased intangible assets: Software, licences and intellectual property £m	Software and other £m	Total £m
Cost								
1 January 2022		17,509	8,721	1,956	2,434	702	3,232	34,554
Intangible assets acquired on acquisition of subsidiaries		569	188	–	3	149	–	909
Additions		–	–	–	–	–	868	868
Disposal of business		–	–	(51)	–	–	(174)	(225)
Disposals and write-off		–	–	–	–	–	(70)	(70)
Foreign exchange translation		1,781	1,016	208	297	52	273	3,627
31 December 2022		19,859	9,925	2,113	2,734	903	4,129	39,663
Intangible assets acquired on acquisition of subsidiaries	21.2	**370**	**281**	**–**	**–**	**47**	**–**	**698**
Additions[1]		**–**	**–**	**–**	**–**	**–**	**962**	**962**
Disposals and write-off[2]		**–**	**–**	**(1)**	**–**	**–**	**(82)**	**(83)**
Foreign exchange translation		**(953)**	**(538)**	**(114)**	**(154)**	**(93)**	**(149)**	**(2,001)**
31 December 2023		**19,276**	**9,668**	**1,998**	**2,580**	**857**	**4,860**	**39,239**
Accumulated amortisation and impairment								
1 January 2022		23	956	398	224	315	914	2,830
Amortisation charge for the year		–	590	150	232	41	587	1,600
Impairment		–	–	–	–	–	11	11
Disposal of business		–	–	(4)	–	–	(31)	(35)
Disposals and write-off		–	–	–	–	–	(70)	(70)
Foreign exchange translation		7	104	40	34	11	65	261
31 December 2022		30	1,650	584	490	367	1,476	4,597
Amortisation charge for the year[3]		**–**	**607**	**149**	**229**	**72**	**790**	**1,847**
Impairment[4]		**–**	**–**	**–**	**–**	**–**	**10**	**10**
Disposals and write-off[2]		**–**	**–**	**(1)**	**–**	**–**	**(82)**	**(83)**
Foreign exchange translation		**–**	**(91)**	**(39)**	**(32)**	**(66)**	**(51)**	**(279)**
31 December 2023		**30**	**2,166**	**693**	**687**	**373**	**2,143**	**6,092**
Net book values[5]								
31 December 2023		**19,246**	**7,502**	**1,305**	**1,893**	**484**	**2,717**	**33,147**
31 December 2022		19,829	8,275	1,529	2,244	536	2,653	35,066

1 During the year, consideration for additions comprised £962 million (2022: £787 million) in cash, and nil (2022: £81 million) in accruals. During the year, the Group capitalised sales commissions paid to employees (contract costs) of £53 million (2022: £40 million).
2 During the year the Group recognised disposals and write-offs of assets which are no longer in use of £83 million with nil net book value (2022: £70 million with nil net book value).
3 Includes non-underlying amortisation of intangible assets of £1,195 million (2022: £1,044 million) and no amortisation related to discontinued operations (2022: £8 million).
4 Following a review of software assets in the year the Group recognised a £10 million non-underlying impairment charge (2022: £11 million adjusted impairment charge) in relation to assets with a recoverable amount less than the carrying value.
5 At 31 December 2023, software and other net book value includes:
– Assets not yet brought into use of £739 million (2022: £647 million). No amortisation has been charged on these assets and instead they are tested for impairment annually.
– Contract costs of £78 million (2022: £75 million).

9. Intangible assets continued

9.1 Goodwill

Carrying value of goodwill allocated to each of the Group's CGUs

Goodwill is allocated to and monitored by management at the level of the Group's four CGUs as set out below:

	2023 £m	2022 £m
Data & Analytics[1]	13,767	14,414
Capital Markets, excluding Tradeweb	2	2
Tradeweb[1]	4,889	5,152
Post Trade[1]	588	261
	19,246	19,829

1 The carrying value of goodwill allocated to the Data & Analytics and Tradeweb CGUs reduced during the year mainly due to the impact of foreign exchange translation of £648 million and £291 million, respectively. The decrease in Tradeweb is partly offset by the Yieldbroker acquisition (see note 21.2). The carrying value of the goodwill allocated to the Post Trade CGU increased during the year, mainly due to the Acadia acquisition (see note 21.2).

Annual goodwill impairment test

Goodwill as at 31 December 2023 was tested for impairment. For each CGU, the estimated recoverable amount is higher than its carrying value (being the net book value as at 31 December 2023) and therefore no impairment was identified or recognised.

The recoverable amount of each CGU was determined based on value-in-use calculations. The value-in-use calculations are based on, and most sensitive to, the following key assumptions:

Assumption	Determination of assumption
Short- and medium-term revenue and cost growth	The short-term revenue and cost growth assumptions are based on the business plans prepared by management for the three-year period ending 31 December 2026 and extended by a further three years for trended medium-term growth. Business plans are based on an assessment of current trends, anticipated market and regulatory developments, discussions with customers and suppliers, and management's experience
Long-term economic growth rates (used to determine terminal values)	Cash flows beyond an initial six-year period are extrapolated using estimated long-term growth rates, which are based on external estimates of GDP and inflation
Pre-tax discount rates	Weighted average cost of capital is determined using market risk free rates based on the yields of government bonds most relevant to the operations of the CGU, adjusted for country and operational risk and the cost of borrowing for the Group

Value-in-use assumptions

	Data & Analytics		Capital Markets, excluding Tradeweb		Tradeweb		Post Trade	
Assumptions	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Long-term growth rates	4.1	4.2	3.6	3.5	4.1	3.9	3.4	3.4
Pre-tax discount rates	12.1	11.4	10.3	12.2	11.4	10.7	12.2	14.3

9. Intangible assets continued

Sensitivity analysis

The estimated value-in-use of each CGU exceeds its carrying value. The table below shows the relative changes in the main assumptions; cash flows, long-term growth rate and pre-tax discount rates, in isolation, that could lead to the value-in-use reducing to the carrying amount. Changes beyond those amounts would have therefore led to an impairment loss being recognised for the year ended 31 December 2023. The sensitivity analysis presented is prepared on the basis that any change in each key assumption would not have a consequential impact on other assumptions used. We do not expect that a reasonably possible or foreseeable change in the assumptions in isolation would lead to an impairment loss being recognised.

	Change required for value-in-use to equal carrying amount			
Assumptions	**Data & Analytics**	**Capital Markets, excluding Tradeweb**	**Tradeweb**	**Post Trade**
Reduction in terminal cash flow (%)	**(40.7)**	**N/A[1]**	**(28.9)**	**N/A[1]**
Reduction in long-term growth rates (percentage points)	**(3.6)**	**N/A[1]**	**(2.0)**	**N/A[1]**
Increase in pre-tax discount rates (percentage points)	**3.7**	**N/A[1]**	**2.2**	**N/A[1]**

1 N/A indicates that the change required is outside of a feasible expected change.

9.2 Purchased intangible assets

Purchased intangible assets are recognised on acquisition of a business.

The material purchased intangible assets are set out below:

	Carrying value of material purchased intangible assets		Remaining amortisation period
	2023 £m	2022 £m	**2023**
Customer and supplier relationships			
Refinitiv	**5,635**	6,428	**13 years**
Tradeweb	**889**	954	**10-17 years**
Frank Russell	**305**	346	**11-16 years**
Acadia	**233**	N/A	**17 years**
Brands			
Refinitiv	**532**	660	**2-12 years**
Tradeweb	**169**	194	**12 years**
Frank Russell	**442**	498	**16 years**
Databases and content			
Refinitiv	**1,878**	2,219	**8-9 years**

There are no other individual purchased intangible assets that are considered material to each class of intangible assets.

10. Property, plant and equipment

Our tangible assets are property (owned and leased), equipment, and furniture and fittings. These assets are depreciated over their useful economic lives.

Accounting policy

Property, plant and equipment

Property, plant and equipment assets are recorded at cost less accumulated depreciation and accumulated impairment losses.

Land is not depreciated. Freehold buildings, plant and equipment are depreciated to a residual value on a straight-line basis over their estimated useful economic lives as follows:
— Freehold buildings – 30 to 50 years
— Plant and equipment – 3 to 20 years

Leasehold improvements are recorded at cost and depreciated to a residual value over the shorter of the period of the lease and the useful economic life of the asset.

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal, and its value-in-use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised when the recoverable amount of the asset, or CGU, is less than its carrying amount. Impairment losses are recognised in the income statement within depreciation, amortisation and impairment. CGU impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

Right-of-use assets (leases)

The Group recognises a right-of-use asset where it has control of an asset for a period of more than 12 months. Assets are recorded initially at cost and depreciated on a straight-line basis over the shorter of the lease term and the estimated useful economic life. Cost is defined as the net present value of the initial lease liability plus any initial costs and dilapidation provisions less any lease incentives received.

The lease term is the non-cancellable term plus any periods for which the Group is reasonably certain to exercise any extension options.

Where a property is no longer used by the business or there is surplus space, an impairment in the value of the right-of-use asset is recognised and the asset is recognised at its estimated recoverable value.

Where a lease is terminated early, this is recognised as a disposal and any difference in value between the asset (being the carrying value of the right-of-use asset) and the liability (being the net present value of future lease obligation) is recognised as a profit or loss on disposal. Any penalty fees payable for early termination are recognised directly in the income statement as an operating expense.

10. Property, plant and equipment continued

	Note	Land & Buildings			Plant and equipment		
		Freehold property £m	Right-of-use assets[1] £m	Leasehold improvements £m	Right-of-use assets £m	Owned £m	Total £m
Cost							
1 January 2022		55	605	103	60	502	1,325
Property, plant and equipment acquired on acquisition of subsidiaries		–	1	–	–	2	3
Additions		14	44	12	41	130	241
Lease modifications		–	14	–	–	–	14
Disposals and other		(14)	(12)	3	(1)	(19)	(43)
Disposal of business		–	(12)	–	(34)	(15)	(61)
Foreign exchange translation		(2)	32	7	4	24	65
31 December 2022		53	672	125	70	624	1,544
Property, plant and equipment acquired on acquisition of subsidiaries	21.2	**–**	**1**	**–**	**–**	**2**	**3**
Additions		**5**	**20**	**8**	**49**	**79**	**161**
Lease modifications		**–**	**74**	**–**	**–**	**–**	**74**
Disposals, reclassifications and other		**(41)**	**(33)**	**20**	**(4)**	**38**	**(20)**
Foreign exchange translation		**–**	**(23)**	**(3)**	**(2)**	**(20)**	**(48)**
31 December 2023		**17**	**711**	**150**	**113**	**723**	**1,714**
Accumulated depreciation and impairment							
1 January 2022		31	158	49	19	236	493
Depreciation charge for the year		1	101	20	18	143	283
Impairment		–	12	–	–	–	12
Disposals and other		(3)	(10)	(3)	–	(19)	(35)
Disposal of business		–	(4)	–	(16)	(5)	(25)
Foreign exchange translation		–	10	1	1	7	19
31 December 2022		29	267	67	22	362	747
Depreciation charge for the year[2]		**–**	**105**	**15**	**28**	**116**	**264**
Impairment[2,3]		**–**	**22**	**–**	**–**	**–**	**22**
Disposals, reclassifications and other		**(27)**	**(30)**	**5**	**(5)**	**45**	**(12)**
Foreign exchange translation		**–**	**(10)**	**(1)**	**(1)**	**(11)**	**(23)**
31 December 2023		**2**	**354**	**86**	**44**	**512**	**998**
Net book values							
31 December 2023		**15**	**357**	**64**	**69**	**211**	**716**
31 December 2022		24	405	58	48	262	797

1 We have recognised property provisions of £35 million within liabilities in the balance sheet, which represent the present value of the Group's estimate of the cost of fulfilling lease obligations for dilapidations on its right-of-use assets.
2 Includes non-underlying accelerated depreciation and impairment of £23 million (2022: £27 million) and no depreciation from discontinued operations (2022: £5 million).
3 Following a review of our right-of-use property assets in the year we recognised a £22 million impairment charge (2022: £12 million).

11. Investments in financial assets

The Group holds equity investments in a number of companies which fall below the level that would result in recognition of an interest in a subsidiary or associate.

Accounting policy
These financial assets are all recognised at **fair value through other comprehensive income (FVOCI)**. See note 17 for the relevant accounting policy, specifically in relation to:
— **equity instruments**
— **debt instruments**

Investments in equity instruments and convertible instruments (excluding listed instruments) are classified as Level 3 (of the fair value hierarchy described in the accounting policy of note 17). Listed instruments are classified as Level 1.

Investments in financial assets are as follows:

	Notes	2023 £m	2022 £m
Non-current			
Equity instruments	11.1	**372**	394
Current			
Debt instruments	11.2	**–**	226
Total investments in financial assets	17.1	**372**	620

11.1 Equity instruments

Movements in the fair value of investments in equity instruments (which are almost entirely classified as Level 3) are as follows:

	2023 £m	2022 £m
1 January	**394**	351
Additions	**–**	1
Disposals	**(1)**	–
Transfer to investments in associates	**–**	(1)
Fair value (losses)/gains recognised in other comprehensive income	**(12)**	21
Foreign exchange translation	**(9)**	22
31 December	**372**	394

Fair value of equity instruments
In determining the fair value of equity instruments, recent market transactions are used as the primary source of an instrument's value. If no such transactions can be identified, latest financial performance is compared with expectation to determine whether the value continues to be supported. If actual financial performance has deviated materially from expectation, internal valuations are calculated using a range of appropriate valuation methodologies including discounted cash flows and trading/transaction multiples. These valuation models generate a range of values by considering reasonable changes in the key unobservable inputs (e.g. terminal growth rates and discount rates). The investments are recognised at the lowest value in the range.

The fair values of the material investments are as follows:

	2023 £m	2022 £m
Euroclear	**307**	314
PrimaryBid Limited	**31**	31
Finbourne Technology Limited	**8**	8
Sumscope Inc.	**6**	17

Income from equity investments
Income from equity investments of £15 million (2022: £12 million) represents dividends received from the Group's investment in Euroclear.

11.2 Debt instruments

Group	2023 £m	2022 £m
1 January	**226**	–
Additions[1]	**–**	217
Disposals[1]	**(223)**	–
Foreign exchange translation	**(3)**	9
31 December	**–**	226

1 In 2023, the Group divested its French Government and European Central Bank bonds, which were purchased in 2022.

12. Pension and other retirement benefit schemes

Substantially all of the Group's employees participate in defined benefit or defined contribution future benefit schemes.

This note describes the retirement benefit costs recognised in the income statement, and assets and liabilities recognised in the balance sheet.

Accounting policy
For **defined contribution schemes**, the operating charge represents the contributions payable in the year and is recognised in the income statement as incurred.

For the **defined benefit schemes** the income statement expense is allocated between service cost and net finance expense. The service charge represents benefits accruing to employees and is included as an operating expense.

Costs of future employee benefits are accrued over the period in which employees earn the benefits. Scheme obligations and costs are determined on a regular basis by an independent qualified actuary, in line with IAS 19 *Employee Benefits*, using the projected unit credit method. The obligations are measured by discounting the best estimate of future cash flows to be paid out of the scheme and are reflected in the Group balance sheet.

Net interest is recognised within net finance costs, calculated by applying a discount rate to the net defined benefit asset or liability at the start of each annual reporting period. The discount rate used is based on market interest rates of high-quality, fixed-rate debt securities adjusted to reflect the duration of expected future cash outflows for pension benefit payments.

The net asset or liability recognised on the balance sheet comprises the difference between the present value of pension obligations and the fair value of scheme assets.

Actuarial gains and losses are recognised at each reporting date, net of tax, in the statement of comprehensive income. These gains and losses arise from experience adjustments, changes in actuarial assumptions or differences between actual and expected returns on assets.

Significant accounting judgements
The Group judges that, on the winding up of the defined benefit schemes, it can expect any remaining pension surplus to be refunded in full to the Group. In line with the current accounting standards, it therefore continues to recognise these **retirement benefit assets** on the balance sheet in full.

Significant accounting estimates and assumptions
Defined benefit pension liabilities are determined based on the present value of future pension obligations using assumptions determined by the Group with advice from an independent qualified actuary. An actuarial valuation involves making various assumptions that may differ from what actually happens in the future.

The assumptions that are the most significant to the amounts reported are the discount rate, inflation rate, salary growth and mortality levels. Assumptions about these variables are based on the environment in each country. Due to the complexities involved in a valuation, and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. In particular, changes to the discount rate and inflation rate, could result in material changes to the carrying amounts of the Group's pension and other post-retirement benefit obligations within the next financial year.

Defined contribution schemes
Defined contribution schemes are savings plans that provide for matching contributions from the Group. Most new employees are eligible to participate in these schemes. The main scheme within the Group is the London Stock Exchange Group Pension Plan.

Defined benefit schemes
Defined benefit schemes provide pension and other post-retirement benefits for covered employees. Benefits are payable generally based on salary and years of service, although each plan has a unique benefits formula and in some open schemes employees may also make voluntary contributions to augment future benefits. The retirement age is typically in the range of 60 and 65 years and benefits are generally payable as an annuity or lump sum upon retirement. Most schemes include provisions for early retirement or death and include survivor and disability benefits. Vested benefits of former employees who are not yet of retirement age are held in deferment. Eligible benefits are subject to increases based on inflation.

Except when required by law, virtually all defined benefit schemes are closed to new employees. All schemes are governed by the local regulatory framework and employment laws in the country in which they operate.

The Group's largest defined benefit plans are in the UK and together are in a net surplus position. The most significant defined benefit schemes (collectively referred to as the "Large UK" schemes) are:
- the Reuters Pension Fund (RPF);
- the Reuters Supplementary Pension Scheme (SPS); and
- the London Stock Exchange Group Pension Scheme (LSEGPS)
  - LSE Section of LSEGPS (previously the London Stock Exchange Retirement Plan)
  - LCH Section of LSEGPS (previously the LCH Pension Scheme).

12. Pension and other retirement benefit schemes continued

12.1 Amounts recognised in the income statement

Continuing	Notes	2023 £m	2022 £m
Defined contribution schemes		**88**	74
Defined benefit scheme – current/past service cost, curtailment, and expenses		**13**	7
Pension costs recognised in staff costs	4.1	**101**	81
Net interest income	5.1	**(8)**	(11)
		93	70

12.2 Amounts recognised in other comprehensive income in respect of retirement benefit schemes

	Note	2023 £m	2022 £m
1 January		**(213)**	116
Net actuarial losses recognised in the year	12.3	**(85)**	(329)
31 December		**(298)**	(213)

12.3 Amounts recognised in the balance sheet in respect of retirement benefit schemes

The amounts recognised in the balance sheet include the assets and liabilities of the Large UK schemes, as well as various smaller schemes. All pension scheme assets are held separately from those of the Group.

	2023 £m	2022 £m
Retirement benefit assets	**172**	231
Retirement benefit obligations	**(79)**	(64)
Net retirement benefit asset	**93**	167

The changes in the net retirement benefit asset during the year are as follows:

	Note	2023 £m	2022 £m
1 January		**167**	483
Pension (expense)/income, including net interest income		**(5)**	5
Actuarial losses	12.2	**(85)**	(329)
Employer contributions and benefits paid		**14**	17
Other		**1**	(11)
Foreign exchange translation		**1**	2
31 December		**93**	167

The net retirement defined benefit assets/(liabilities) in respect of defined benefit schemes are as follows:

	Note	2023 £m	2022 £m
Large UK schemes[1]	12.4	**157**	216
Other plans		**(64)**	(49)
Net retirement benefit asset[2]		**93**	167

1 As at 31 December 2023, the Group recognised net defined benefit assets on the basis that the Group would have access to the surplus in the event of a winding-up of the scheme. No asset ceiling has therefore been applied to the net surplus recognised. The LSE Section of the LSEGPS is the only UK scheme to have minimum funding commitments however, based on the latest analysis carried out by the scheme actuary, no funding contribution was required from the Group in 2023.

2 On 16 June 2023, the High Court issued a ruling in respect of Virgin Media v NTL Pension Trustees II Limited (and others) calling into question the validity of rule amendments made to defined benefit pension schemes contracted-out on a Reference Scheme Test basis between 6 April 1997 and 5 April 2016. Amendments to these pension schemes over this time required confirmation from the Scheme Actuary that the Reference Scheme Test would continue to be met. In the absence of such a confirmation, the Rule amendment would be void. The Group is waiting for the outcome of the appeal and any additional hearings, as well as confirmation from the Government as to whether it will issue new regulations in response. The Group is considering, with the Trustees of the Large UK schemes, the impact on the pension schemes. No reliable estimate can be made at this stage and no impact is included in these disclosed benefit scheme liabilities.

12.4 Large UK schemes

The detail that follows relates to the Large UK schemes. In this section we show the movement of the scheme assets and defined benefit obligations in the year, alongside the asset classes and expected benefit payments. We also explain the schemes' investment policy, key assumptions and risk management.

	Buy-in status	2023 £m	2022 £m
RPF	Partial[1]	**140**	145
SPS	Full[2]	**12**	11
LSE Section of LSEGPS	Full[3]	**1**	21
LCH Section of LSEGPS	Full[3]	**4**	39
Net retirement benefit asset		**157**	216

1 On 1 September 2022, the RPF was closed to future accrual. All 121 remaining active members accepted the new terms and conditions, and their status changed to deferred. They were automatically enrolled into the London Stock Exchange Group Pension Plan (defined contribution scheme), unless they opted out. This constituted an "exit" and triggered curtailment. The RPF has a partial buy-in arrangement in place amounting to £398 million (2022: £404 million).

2 On 30 September 2021, the Trustee of SPS entered into a bulk annuity policy with Legal & General (L&G) covering all of the scheme's deferred and retiree obligations. The purpose of the arrangement is to reduce pension volatility by transferring longevity risk to L&G and further improve inflation risk and the matching of assets and liabilities. As at 31 December 2023, the SPS buy-in amounted to £194 million (2022: £182 million).

3 On 18 May 2023, the Trustee of the LSEGPS entered into a bulk annuity policy with Standard Life, part of Phoenix Group, broadly insuring all scheme benefits that were not already insured with PIC. The purpose of the arrangement is to reduce pension volatility by transferring longevity risk to Standard Life and further improve inflation risk and the matching of assets and liabilities. As at 31 December 2023, the LSE and LCH Sections of the LSEGPS buy-in amounted to £286 million and £148 million, respectively.

12. Pension and other retirement benefit schemes continued

Fair value of the assets and present value of the liabilities of the Large UK schemes
The amounts included in the balance sheet arising from the Group's obligations in respect of the Large UK schemes are as follows:

	Assets £m	Liabilities £m	Net surplus/ (deficit) £m
1 January 2022	3,811	(3,267)	544
Pension expense/(income) recognised in the income statement			
— Past/current service cost and administrative fees	–	(7)	(7)
— Curtailment	–	7	7
— Interest income/(cost)	79	(66)	13
Remeasurements recognised in other comprehensive income			
— Movement on plan assets, excluding interest income, recognised in other comprehensive income	(1,426)	–	(1,426)
— Actuarial gains – financial assumptions	–	1,213	1,213
— Actuarial gains – demographic assumptions	–	23	23
— Actuarial losses – experience	–	(164)	(164)
Employer contributions[1]	21	–	21
Plan participants' contributions	1	(1)	–
Benefits paid	(117)	117	–
Other	–	(7)	(7)
31 December 2022	2,369	(2,152)	217
Pension expense/(income) recognised in the income statement			
— Past/current service cost and administrative fees	**–**	**(6)**	**(6)**
— Interest income/(cost)	**112**	**(102)**	**10**
Remeasurements recognised in other comprehensive income			
— Movement on plan assets, excluding interest income, recognised in other comprehensive income	**(55)**	**–**	**(55)**
— Actuarial losses – financial assumptions	**–**	**(48)**	**(48)**
— Actuarial gains – demographic assumptions	**–**	**44**	**44**
— Actuarial losses – experience	**–**	**(11)**	**(11)**
Employer contributions[1]	**6**	**–**	**6**
Benefits paid	**(101)**	**101**	**–**
31 December 2023	**2,331**	**(2,174)**	**157**

1 The Group contributed £6 million (2022: £21 million) to its Large UK schemes. The Group expects to contribute approximately £7 million to its Large UK schemes in 2024. For RPF, the Trustees have the right to call for special valuations, which could subsequently result in the Group having to make an unexpected contribution. Market-related factors may also affect the timing and amount of contributions.

The fair values of each major class of scheme assets are as follows:

Fair value of assets	2023 £m	2022 £m
Equities		
— Quoted	**92**	29
— Not quoted	**14**	20
Bonds		
— Quoted	**3**	250
— Not quoted	**817**	773
Buy-in policy	**1,026**	723
Cash and cash equivalents	**25**	366
Multi-assets and other	**354**	208
Total fair value of assets	**2,331**	2,369

Investment policy
The Group bears the cost of the Large UK schemes (less employee contributions). However, the responsibility for managing and governing the Large UK schemes lies with the independent trustee board (Trustees). Scheme Trustees set investment policies and strategies for each plan and oversee investment allocation. This includes selecting investment managers, commissioning periodic asset-liability studies, and setting long-term targets. The scheme Trustees may consult with the Group in setting investment policy, but the Trustees are ultimately accountable for it.

The principal investment objectives are to:
— ensure funds are available to pay pension benefits as they become due under a broad range of future economic scenarios;
— maximise long-term investment return with an acceptable level of risk; and
— diversify across capital markets to insulate asset values against risk in any one market.

Investment allocation
Investment allocation takes into account a number of factors, including: the funded status of the scheme; setting the right balance between risk and return; the scheme's liquidity needs; current and expected economic and market conditions; specific asset class risk; as well as the risk profile and maturity pattern of the scheme.

Target investment allocation ranges provide guidelines, not limitations. Plans may have diversified portfolios with investments in equities, fixed income, real estate, insurance contracts, derivatives, and other asset classes through direct ownership or through other instruments such as mutual funds, commingled funds, and hedge funds. Derivatives may be used to achieve investment objectives or as a component of risk management (such as for interest rate and currency management strategies).

12. Pension and other retirement benefit schemes continued

The Trustees invest the schemes' assets in a portfolio of physical assets and liability-matching assets:

— The physical assets have the objective of outperforming the liabilities by investing in a suitably diversified range of assets, consisting of risk premia strategies, corporate bonds (and other credit alternatives) and property which together are expected to reduce investment volatility.
— The liability-matching assets seek to hedge against the interest rate and inflation risks associated with liabilities. The assets are predominantly gilts, both nominal and index-linked. The SPS and LSEGPS also include bulk annuity transactions (buy-ins) insuring the benefit for a part of the schemes' liabilities. The RPF has partial buy-in.

The assets held by the RPF mainly consist of cash and cash equivalents, government and corporate bonds, and various investment vehicles. Plan assets are invested to adequately secure benefits and to minimise the need for long-term contributions to the schemes. The SPS and the LSEGPS are fully bought-in and therefore hold cash, buy-in contracts and some liquid assets.

Funding valuations and arrangements

The Trustees are responsible for carrying out triennial valuations (unless circumstances require an earlier review) and securing funding for benefit payments. In order to develop funding valuations and investment policies, the Trustees consult with the schemes' actuary (who is independent of the Group's actuary), the schemes' investment advisors (also independent of the Group's investment advisors) and the Group.

The Group has provided guarantees to the Trustees of the RPF and to the Trustees of the SPS in conjunction with triennial valuation and funding obligations. As at 31 December 2023, the aggregate maximum liability under the guarantees was £700 million for the RPF and £120 million for the SPS. These amounts are unchanged from last year.

Actuarial assumptions

The Group used the following weighted-average assumptions in determining the defined benefit obligation for the large UK schemes:

	2023	2022
Discount rate		
— Non-insured	**4.50%**	4.80%
— Insured	**4.50%**	4.80%
Price inflation	**3.13%**	3.33%
Rate of increase in salaries	**3.10%**	3.30%
Life expectancy from age 65 (years)		
— Non-retired male member	**23.8**	24.3
— Non-retired female member	**25.9**	26.4
— Retired male member	**22.2**	22.7
— Retired female member	**24.2**	24.7

Sensitivity analysis

The measurement of the Large UK schemes obligations is sensitive to changes in certain key assumptions. The sensitivity analysis below shows how a reasonably possible increase in a particular assumption would, in isolation, result in an increase or decrease in the present value of the defined benefit obligation as at 31 December 2023.

		(Decrease)/increase in scheme obligations[1]	
Assumption	**Change in assumption**	**2023 £m**	2022 £m
Discount rate	+0.5%	**(135)**	(138)
Price inflation	+0.5%	**83**	81
Mortality rate	+1 year	**79**	64

1 The sensitivity analysis may not be representative of an actual change in the scheme obligations as it is unlikely that changes in assumptions would occur in isolation of one another. The analysis is done in a similar way to calculating the scheme obligations recognised in the balance sheet in that it uses the projected unit credit method at the end of the year.

12. Pension and other retirement benefit schemes continued

Risks for the defined benefit schemes and risk mitigation
Some key financial risks for the defined benefit schemes are:
- if there is a reduction in corporate bond yields. This increases the schemes' liabilities which may not be accompanied by a corresponding increase in the schemes' assets;
- if investment returns are lower than assumed. Only the RPF invests a proportion of its assets in growth assets so a fall in the value of these assets will worsen the schemes' funding position;
- if inflation is higher than expected, or average inflation expectations increase. This will increase the liabilities through higher indexing of pension payments; and
- if members live longer than expected. This would increase the length of time for which pensions have to be paid.

An increase in pension liabilities could lead to an increase in the pension deficit or a reduction in any surplus. Defined benefit schemes are normally revalued by actuaries every three years. Where any material funding gap is identified by this process, the Trustees will agree a schedule of contributions with the sponsor company. Such contributions would have a financial impact on the Group.

In addition, for the RPF, SPS and LSEGPS, the Group is exposed to the creditworthiness of the buy-in insurance provider. A failure of the buy-in insurance provider would reduce the pension assets and could lead to a pension deficit materialising, or an increase in the pension deficit and the need for contributions from the Group.

The RPF holds a range of liquid assets that can be sold for use as collateral for the liability-matching assets if required, and the Trustees consider the liquidity needs of the schemes when setting investment strategy. The schemes' investment strategies have performed as expected during the market volatility that followed the UK Government's mini budget on 23 September 2022. The RPF Trustee makes use of liability-driven investments, but there was no interruption to the interest rate and inflation hedges in place. The SPS and LSEGPS do not hold any liability-driven investments as they hold bulk annuity policies.

The following table provides expected benefit payments under the Group's Large UK schemes:

	2023 £m	2022 £m
Less than 1 year	**102**	98
Between 1 and 2 years	**107**	97
Between 2 and 5 years	**341**	324
Over 5 years	**638**	576
Total expected benefit payments	**1,188**	1,095

The weighted average duration of the defined benefit obligations at the end of 31 December 2023 is 13 years (2022: 14 years).

13. Trade and other receivables

Trade and other receivables mainly consist of amounts owed to us by customers and amounts that we pay to our suppliers in advance. This note includes finance lease receivables recognised where the Group acts as a lessor. See note 16.2 for more information on the Group's leasing activities.

Accounting policy
Trade receivables are initially recognised at the amount of the consideration that is unconditionally due to the Group. They are subsequently measured at amortised cost, less any expected credit loss (ECL). Our approach to calculating ECL provisions is described in note 17. The creation and release of such provisions are recognised in operating expenses in the income statement.

Fees receivable are recognised when the Group has an unconditional right to consideration in exchange for goods or services transferred, but no fee invoice has been issued. Amounts are transferred to trade receivables when an invoice has been issued.

Other receivables are initially recognised at fair value and subsequently at amortised cost, less any loss allowance as described in note 17.

When a receivable is no longer expected to be recovered, the full amount is written off. We will continue to seek recovery and any subsequent amounts recovered against amounts previously written off are recognised in the income statement.

See note 16.2 for the **net investment in leases** accounting policy, when the Group sub-lets property right-of-use assets to a third-party.

The Group has a tax indemnity agreement with Thomson Reuters for any tax liabilities incurred and tax receivables due before Refinitiv (previously the Thomson Reuters Financial & Risk Business) separated from Thomson Reuters on 1 October 2018. The **tax indemnity receivable** is recognised for and measured on the same basis as the corresponding indemnified tax liabilities. The indemnified tax liabilities are recognised within current tax payable in the balance sheet. When there is a change in the indemnified tax liabilities, which is recognised within tax (as non-underlying) in the income statement, there is an offsetting change in the tax indemnity receivable. This change is recognised within operating expenses in the income statement and classified as non-underlying. (The tax indemnity payable is described in note 15.)

Contract assets are recognised when the Group has a conditional right to consideration from a customer in exchange for goods or services transferred. Contract assets are transferred to trade receivables when the entitlement to payment becomes unconditional and only the passage of time is required before payment is due.

13. Trade and other receivables continued

	Notes	2023 £m	2022 £m
Non-current			
Net investments in leases		**62**	71
Tax indemnity receivable		**66**	79
Convertible loan notes		**–**	12
Deposits receivable		**19**	23
Other receivables		**31**	24
Total non-current receivables classified as financial assets	17.1	**178**	209
Current			
Trade receivables		**941**	766
Fees receivable		**244**	263
Expected credit loss on trade receivables and fees receivable		**(13)**	(9)
Net trade receivables		**1,172**	1,020
Net investments in leases		**9**	12
Deposits receivable		**34**	20
Other receivables[1]		**602**	95
Current trade and other receivables classified as financial assets	17.1	**1,817**	1,147
Prepayments		**230**	214
Contract assets		**4**	3
Total current trade and other receivables		**2,051**	1,364
Total receivables		**2,229**	1,573

1 Other receivables include £299 million (2022: £10 million) from matched principal trades within the Group's Tradeweb business that had passed their settlement date. An equivalent amount of £276 million (2022: £9 million) is shown within other payables in note 15. All trades were settled within a short period after the balance sheet date. Other receivables also includes £147 million (2022: £9 million) as margin receivable on reverse repurchase contracts within the Group's Post Trade business.

Provision for expected credit losses

Movements in the Group's provision for expected credit losses on trade receivables and fees receivable are as follows:

	2023 £m	2022 £m
1 January	**9**	7
New provisions for expected credit losses	**14**	6
Amounts written off as uncollectible	**(9)**	(3)
Foreign exchange translation	**(1)**	(1)
31 December	**13**	9

Net investments in leases: Group as lessor

The Group sub-lets a number of its properties where there is surplus space or the office is no longer used by the business. The Group has both finance and operating sub-leases. Net investments in leases are shown within trade and other receivables above.

The future minimum rentals receivable[1] as at 31 December are as follows:

	2023 £m	2022 £m
Less than 1 year	**10**	12
Between 1 and 2 years	**6**	10
Between 2 and 5 years	**17**	17
Over 5 years	**47**	52
Total	**80**	91

1 The future minimum rentals receivable above reflect the gross rental receivable and are not discounted. The net investments in leases disclosed within trade and other receivables are discounted to reflect the net present value to the Group at the year end.

14. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, short-term deposits, money market funds and other instruments and structures that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

	Note	2023 £m	2022 £m
Cash at bank		**755**	922
Cash equivalents		**2,825**	2,287
Total cash and cash equivalents classified as financial assets[1]	17.1	**3,580**	3,209

1 At 31 December 2023, cash and cash equivalents include £1,329 million (2022: £1,219 million) of amounts held by regulated entities for regulatory and operational purposes. Cash held by subsidiaries which operate in countries where exchange controls or other legal restrictions apply, and which is therefore not available for general use by the Group, has been fully provided against. Cash and cash equivalents do not include amounts held by the CCPs on behalf of their clearing members.

15. Trade and other payables

Trade and other payables mainly consist of amounts owed to suppliers that have been invoiced or are accrued. They also include social security and other amounts due in relation to the Group's role as an employer.

Accounting policy

Trade payables are initially recognised at fair value, which is usually the amount invoiced. They are subsequently measured at amortised cost.

Accrued expenses are recognised for goods and services received before the end of the year for which no invoice has been received. They are measured at amortised cost.

Contingent consideration, resulting from business combinations sometimes arises when additional consideration to the sellers will need to be paid if certain performance targets for the business are achieved. Contingent consideration is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value through the income statement at each reporting date. The fair value gain or loss is classified as a non-underlying transaction cost in the income statement (see note 2.3). The fair value is calculated based on discounted cash flows. The key assumptions in calculating the fair value include the probability of meeting each performance target and the discount factor.

Trade and other payables include the **Tradeweb tax receivable agreement liability**. In connection with Tradeweb's initial public offering (IPO), Tradeweb entered into a tax receivable agreement with the owners of Tradeweb Markets LLC (the "LLC Owners") immediately prior to Tradeweb's IPO. Under the agreement, Tradeweb is required to make cash payments to the LLC Owners equal to 50% of the amount of any tax savings that Tradeweb realises as a result of certain future tax benefits to which it is entitled. The Tradeweb tax receivable agreement liability is measured at amortised cost.

As described in note 13, the Group has a tax indemnity agreement with Thomson Reuters. The Group has a **tax indemnity payable** to Thomson Reuters against a matching tax receivable which is recognised within current tax receivable in the balance sheet. The tax indemnity payable is measured on the same basis as the indemnified tax receivable. When there is a change in the indemnified tax receivable, which is recognised within tax (as non-underlying) in the income statement, there is an offsetting change in the tax indemnity payable. This change is recognised within operating expenses in the income statement and classified as non-underlying.

	Notes	2023 £m	2022[1] £m
Non-current			
Contingent consideration payable		**21**	38
Tradeweb tax receivable agreement liability		**312**	323
Tax indemnity payable		**242**	264
Other payables		**5**	24
Non-current payables classified as financial liabilities	17.2	**580**	649
Deferred compensation		**21**	–
Total non-current payables		**601**	649
Current			
Trade payables		**258**	413
Share buyback obligation		**–**	200
Accrued expenses		**1,024**	1,049
Other payables[2]		**459**	266
Current payables classified as financial liabilities	17.2	**1,741**	1,928
Social security and other taxes		**155**	76
Total current trade and other payables		**1,896**	2,004
Total payables		**2,497**	2,653

1 For 2022, current lease liabilities of £139 million and non-current lease liabilities of £533 million had been presented as trade and other payables. These have been reclassified to current borrowings and non-current borrowings respectively (see note 16) to better reflect the nature of the liability.

2 Other payables include £276 million (2022: £9 million) from matched principal trades within the Group's Tradeweb business that had passed their settlement date. An equivalent amount of £299 million (2022: £10 million) is shown within other receivables in note 13. All trades were settled within a short period after the balance sheet date. Other payables also includes nil (2022: £127 million) as margin payable on reverse repurchase contracts within the Group's Post Trade business.

16. Borrowings, lease liabilities and net debt

The Group's sources of borrowing for funding and liquidity purposes include a range of committed bank facilities and long-term and short-term issuances in the capital markets including commercial paper and bonds. Liabilities arising from the Group's lease arrangements are also reported in borrowings. Net debt comprises cash and cash equivalents less lease liabilities and borrowings, adjusted for derivative financial instruments.

	Notes	2023 £m	2022[1] £m
Non-current			
Bank borrowings – committed bank facilities[2]		**(8)**	(5)
Bonds		**7,022**	6,860
Trade finance loans		**1**	1
Lease liabilities		**518**	533
Total non-current borrowings		**7,533**	7,389
Current			
Bank borrowings		**17**	1,295
Commercial paper		**1,206**	–
Bonds		**825**	–
Lease liabilities		**118**	139
Total current borrowings		**2,166**	1,434
Total borrowings		**9,699**	8,823
Total borrowings excluding lease liabilities	16.1	**9,063**	8,151
Lease liabilities	16.2	**636**	672
Total borrowings		**9,699**	8,823

1 For 2022, current lease liabilities of £139 million and non-current lease liabilities of £533 million had been presented as trade and other payables. These have been reclassified to current borrowings and non-current borrowings respectively to better reflect the nature of the liability.
2 Balances are shown net of capitalised arrangement fees. Where there are no amounts borrowed on a particular facility, this gives rise to a negative balance.

16.1 Borrowings (excluding lease liabilities)

Accounting policy
Borrowings are initially recorded at the fair value of amounts received, net of capitalised direct issue costs and arrangement fees (including upfront facility fees).

Subsequently, these liabilities are carried at amortised cost. Interest payable on borrowings, direct issue costs and arrangement fees (including upfront facility fees) are recognised in the income statement over the period of the borrowings using the effective interest method.

Where borrowings are identified as a hedged item in a designated fair value hedge relationship, fair value adjustments are recognised in accordance with our policy (see note 17).

16. Borrowings, lease liabilities and net debt continued

The Group has the following committed bank facilities and term loans, commercial paper, unsecured bonds, bank overdrafts and trade finance loans:

	Maturity date	Facility/ bond £m	Carrying value 2023 £m	Carrying value 2022 £m	Interest rate %
Committed bank facilities					
Multi-currency revolving credit facility	Dec 2027	1,925	**(5)**	(2)	see note[2]
Multi-currency revolving credit facility	Dec 2027	1,075	**(3)**	(3)	see note[2]
Total committed bank facilities[1]		3,000	**(8)**	(5)	
Commercial paper			**1,206**	–	0.952
Committed term loans					
$2,000 million term loan	Dec 2023		**–**	1,295	see note[2]
Total committed term loans			**–**	1,295	
Bonds					
$500 million bond, issued April 2021	Apr 2024	392	**392**	415	0.650
€500 million bond, issued September 2017	Sep 2024	433	**433**	443	0.875
€500 million bond, issued April 2021	Apr 2025	433	**433**	443	–
$1,000 million bond, issued April 2021	Apr 2026	784	**782**	828	1.375
€700 million bond, issued September 2023	Sep 2026	622	**620**	–	4.125
€500 million bond, issued December 2018	Dec 2027	433	**431**	441	1.750
€500 million bond, issued April 2021	Apr 2028	433	**431**	441	0.250
$1,000 million bond, issued April 2021	Apr 2028	784	**781**	828	2.000
€500 million bond, issued September 2017	Sep 2029	433	**431**	441	1.750
£500 million bond, issued April 2021	Apr 2030	500	**495**	494	1.625
€700 million bond, issued September 2023	Sep 2030	636	**634**	–	4.231
$1,250 million bond, issued April 2021	Apr 2031	981	**976**	1,033	2.500
€500 million bond, issued April 2021	Apr 2033	433	**428**	438	0.750
$750 million bond, issued April 2021	Apr 2041	588	**580**	615	3.200
Total bonds		7,885	**7,847**	6,860	
Trade finance loans	Nov 2025		**1**	1	7.274
Bank overdraft			**17**	–	
Total borrowings excluding lease liabilities			**9,063**	8,151	

1 Negative balances represent the value of unamortised arrangement fees.
2 As part of the IBOR Reform, a Credit Adjustment Spread (CAS) has been applied where US dollar and sterling LIBOR rates were replaced with SOFR and SONIA rates respectively in the bank facilities. The CAS is variable and depends on the tenor and currency of the borrowings.

16. Borrowings, lease liabilities and net debt continued

Committed bank facilities: Multi-currency revolving credit facilities
In November 2023, the Group amended its £1,425 million revolving credit facility, increasing the facility amount to £1,925 million and extending the maturity to December 2027. The Group retained access to its £1,075 million revolving credit facility, which also matures in December 2027. No amounts were outstanding on either facility as at 31 December 2023.

Committed term loan
US dollar term loan repayments totalling $1,560 million were made during the year, with the term loan being fully repaid in October 2023.

Commercial paper
During the year, the Group updated its US Commercial Paper (USCP) Programme and Euro Commercial Paper (ECP) Programme, increasing the limits to $2.5 billion and £1.5 billion respectively. As at 31 December 2023, $937 million (£735 million) was outstanding under the USCP Programme, and €353 million (£306 million) and £165 million under the ECP Programme (2022: nil).

Bonds
In September 2023, the Group issued €1.4 billion of bonds under its £4 billion Euro Medium Term Note Programme (EMTN). The issue consisted of two tranches of €700 million each, maturing in 2026 and 2030. The Group entered into a series of euro interest rate swaps to swap fixed interest obligations to floating interest obligations. The bonds and interest rate swaps have been designated as hedged items and hedging instruments in a fair value hedging relationship (see note 17.4c). The carrying values of the bonds have been adjusted for fair value movements attributable to interest rate risk. The Group also entered into a series of cross-currency interest rate swaps to swap the euro debt into US dollar debt (see note 17.4d).

Other Group facilities
In accordance with the Committee on Payments and Market Infrastructures, the International Organisation of Securities Commissions and Principles for Financial Market Infrastructures, many central banks allow CCPs to apply for access to certain central bank facilities. In addition, a number of Group entities have access to uncommitted operational, money market and overdraft facilities which support post trade activities and day-to-day liquidity requirements. These facilities were drawn down during the year and fully repaid as at 31 December 2023.

Fair values
All the Group's borrowings are recognised at amortised cost on the balance sheet, except where the borrowing has been designated as a hedged item in a fair value hedge relationship. In some cases, amortised cost may differ from their fair value.

Bonds are classified as Level 1 of the fair value hierarchy for determining and disclosing the fair value of financial instruments (as described in the accounting policy of note 17). Bond fair values are as quoted in the relevant fixed income markets.

Bank borrowings and commercial paper are classified as Level 2 (see definition in note 17). The fair values of these instruments are based on cash flows which are discounted using a rate based on borrowing cost.

The fair values of the Group's borrowings, excluding lease liabilities, are as follows:

	2023		2022	
Group	**Carrying value £m**	**Fair value £m**	Carrying value £m	Fair value £m
Non-current	**7,015**	**6,390**	6,856	5,903
Current	**2,048**	**2,034**	1,295	1,301
Total borrowings excluding lease liabilities	**9,063**	**8,424**	8,151	7,204

The carrying amounts of the Group's borrowings, excluding lease liabilities, are denominated in the following currencies:

	2023			2022		
Currency	**Drawn £m**	**Swapped[1] £m**	**Effective £m**	Drawn £m	Swapped[1] £m	Effective £m
Sterling	**652**	**–**	**652**	485	–	485
Euro	**4,148**	**(1,818)**	**2,330**	2,652	(695)	1,957
US dollar	**4,263**	**1,818**	**6,081**	5,014	695	5,709
Total borrowings excluding lease liabilities	**9,063**	**–**	**9,063**	8,151	–	8,151

1 Euro borrowings have been swapped to US dollar borrowings by entering into cross-currency interest rate swaps.

16. Borrowings, lease liabilities and net debt continued

16.2 Lease liabilities and net investments in leases

The Group leases assets from other parties (the Group is a lessee) and also leases assets to other parties (the Group is a lessor). This note describes how the Group accounts for leases and provides details about its lease arrangements.

Accounting policy
Group as lessee
When the Group leases an asset, at the lease commencement date a right-of-use asset is recognised for the leased item (see note 10) and a lease liability is recognised for any lease payments to be paid over the lease term.

Lease liabilities
Lease liabilities are recognised at the net present value of the remaining future payments to be made over the lease term.

The net present value is determined using a discount rate equivalent to the incremental borrowing rate of the leasing entity unless there is a rate implicit within the lease agreement. Subsequently, the value of the discount is recognised over the life of the lease on a reducing balance basis as lease interest in finance cost.

The Group leases many properties around the world and lease terms vary from monthly up to 15 years. Many of these leases contain option clauses to extend the lease or break clauses to terminate the lease. The lease term recognised is the non-cancellable period of the lease plus any periods for which the Group is reasonably certain of exercising any extension options. The Group values its right-of-use assets and lease liabilities based on its intentions at the balance sheet date. Any change in these intentions is accounted for as a lease modification and the assets and liabilities are amended accordingly. Any resulting effect on the net assets of the Group would not be significant.

Variable lease payments based on an index are estimated at the commencement date and revalued on an annual basis.

Lease payments due within 12 months are classified as current liabilities. Payments due after 12 months are classified as non-current liabilities.

Short-term leases and leases of low value assets
Rental costs for leased assets that are for less than 12 months or are for assets with an individual value of less than £5,000 are recognised directly in the income statement on a straight-line basis over the life of the lease.

Group as lessor
Finance leases
Where the Group sub-lets a property right-of-use asset for substantially all the useful life of that asset, this is recognised as a finance lease. On commencement of a finance sub-lease, the property right-of-use asset is treated as disposed of and a net investment in lease, equivalent to the net present value of the future rent receipts is recognised as a receivable on the balance sheet (see note 13). The value of the discount is recognised over the life of the sub-lease on a reducing balance basis as interest income in finance income.

Where the value of the receipts from the sub-lease is lower than the amount payable on the head-lease, we recognise a loss on disposal of the right-of-use asset in the income statement.

Operating leases
A right-of-use asset that is sub-let for less than its expected useful life is recognised as an operating lease and rental income is recognised as received in other income. We continue to recognise the property right-of-use asset on the consolidated balance sheet.

Movements in lease liabilities were as follows:

	Notes	**2023 £m**	2022 £m
1 January		**672**	715
Lease liabilities assumed on acquisition of subsidiaries	21	**1**	1
Lease liabilities derecognised on disposal of business		**–**	(22)
Leases terminated early		**(2)**	(2)
New lease contracts		**66**	80
Lease modifications		**74**	16
Lease interest expense	5.2	**17**	15
Lease payments – principal		**(156)**	(150)
Lease payments – interest		**(17)**	(15)
Foreign exchange translation		**(19)**	34
31 December		**636**	672
Current lease liabilities		**118**	139
Non-current lease liabilities		**518**	533
Total lease liabilities		**636**	672

The maturity of the Group's lease commitments is disclosed within the risk management note (see note 17.5). The potential future lease payments, should the Group exercise extension and termination options, would result in an increase in right-of-use assets and lease liabilities of up to £245 million.

The weighted average discount rate used by the Group for lease liabilities was 2.9% (2022: 2.3%).

A limited number of the Group's leases are subject to variable lease payments linked to publicly available indexes. Adjustments to the value of the lease liabilities and associated assets are made annually, but do not have a material impact on the Group's net assets.

16. Borrowings, lease liabilities and net debt continued

16.3 Net debt

Net debt comprises cash and cash equivalents less lease liabilities and borrowings, adjusted for derivative financial instruments.

	Notes	2023 £m	2022 £m
Non-current			
Bank borrowings	16.1	**8**	5
Bonds	16.1	**(7,022)**	(6,860)
Trade finance loans	16.1	**(1)**	(1)
Lease liabilities	16.2	**(518)**	(533)
Derivative financial assets	17.1	**94**	12
Derivative financial liabilities	17.2	**(22)**	(87)
Total due after one year		**(7,461)**	(7,464)
Current			
Cash and cash equivalents	14	**3,580**	3,209
Bank borrowings	16.1	**(17)**	(1,295)
Commercial paper	16.1	**(1,206)**	–
Bonds	16.1	**(825)**	–
Lease liabilities	16.2	**(118)**	(139)
Derivative financial assets	17.1	**11**	36
Derivative financial liabilities	17.2	**(60)**	(9)
Total due within one year		**1,365**	1,802
Net debt		**(6,096)**	(5,662)

16.4 Liabilities from financing activities

Movement in the Group's financial liabilities arising from financing activities:

	Bank borrowings £m	Bonds £m	Commercial paper £m	Trade finance loans £m	Lease liabilities £m	Total borrowings £m
1 January 2022	1,347	6,306	–	1	715	8,369
Cash flows from financing activities	(209)	–	–	–	(150)	(359)
Other movements[2]	4	5	–	–	73	82
Foreign exchange	148	549	–	–	34	731
31 December 2022	1,290	6,860	–	1	672	8,823
Cash flows from financing activities	**(1,244)**	**1,206**	**1,166**	**–**	**(156)**	**972**
Arrangement fees paid[1]	**(5)**	**(5)**	**–**	**–**	**–**	**(10)**
Other movements[2]	**3**	**51**	**34**	**–**	**139**	**227**
Foreign exchange	**(35)**	**(265)**	**6**	**–**	**(19)**	**(313)**
31 December 2023	**9**	**7,847**	**1,206**	**1**	**636**	**9,699**

1 Arrangement fees paid on funding arrangements are included in other financing activities within the Group's cash flows from financing activities.
2 Other movements comprise non-cash movements relating to amortisation of commercial paper interest of £34 million (2022: nil), amortisation of arrangement fees of £9 million (2022: £9 million), bond fair value adjustment of £45 million (2022: nil) and movements in lease liabilities (see note 16.2).

17. Financial assets and financial liabilities

The Group has a number of financial assets and financial liabilities. Financial assets mainly consist of clearing member assets, trade and other receivables, and cash and cash equivalents. Financial liabilities are mainly clearing member balances, trade and other payables, and borrowings.

This note also details our financial risk management strategy, such as how we manage our exposure to capital, credit, country, liquidity and market risk.

Accounting policy
Recognition and measurement
Financial assets and financial liabilities are initially recognised at fair value. The Group classifies its financial instruments at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVPL). The classification depends on the Group's business model for managing its financial instruments and whether or not the cash flows generated are "solely payments of principal and interest".

Financial assets
- **Financial assets at amortised cost** are financial assets that are held in order to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. These include: cash and cash equivalents; trade and other receivables; clearing member trading balances relating to certain collateralised transactions; and other receivables from clearing members of the CCP businesses.
- **Financial assets at FVOCI – debt instruments** are assets where the objective is achieved by both collecting the contractual cash flows and selling the asset. The contractual cash flows received are solely payments of principal and interest. They include quoted debt instruments (predominantly government bonds) held by the CCP businesses, which are used under the business model to both collect the contractual cash flows and, on occasion, to profit from their sale.
  Interest received from these assets is recognised in the income statement as finance income. Where negative interest rates apply, the interest is recognised in finance expense. Any accumulated profit or loss previously recognised in other comprehensive income is recycled to the income statement on derecognition of the asset.
- **Financial assets at FVOCI – equity instruments** are strategic equity investments which are held for the long-term but do not give the Group control or significant influence. The Group has irrevocably elected to classify these investments as FVOCI. Dividends received from these investments are recognised in the income statement within other income when the right of receipt has been established. Accumulated gains or losses on equity instruments remain in equity on derecognition and are not recycled through the income statement.
- **Financial assets at FVPL** include all other financial assets not classified as amortised cost or FVOCI. They include CCP businesses' clearing member trading balances comprising derivatives, as well as equity and debt instruments that are marked to market on a daily basis.

Financial liabilities
- **Financial liabilities at FVPL** include the CCP businesses' clearing member trading balances, comprising derivatives, as well as equity and debt instruments that are marked to market on a daily basis.
- **Financial liabilities at amortised cost** are all financial liabilities that are not classified as financial liabilities at FVPL. They include trade and other payables, borrowings and other payables to clearing members.

Impairment
The Group adopts a forward-looking approach to estimating impairment losses on financial assets. An expected credit loss (ECL) arises if the expected cash flows are lower than the contractual cash flows due. The difference is discounted at the asset's original effective interest rate and recognised as an impairment of the original value of the asset.
- **Financial assets at amortised cost** – the ECL for trade receivables (including fees receivable), contract assets, and lease receivables is derived using the simplified approach in IFRS 9 *Financial Instruments* to calculate a lifetime ECL. The allowance is based on historical experience of collection rates, adjusted for forward-looking factors specific to each counterparty and the economic environment at large, to create an expected loss matrix.
  The ECL on other financial assets held at amortised cost is measured using the general approach. An allowance is calculated based on the 12-month ECL at each reporting date unless there is a significant increase in the financial instrument's credit risk, in which case a loss allowance based on the lifetime ECL is calculated.
- **Financial assets at FVOCI – debt instruments** held at FVOCI comprise high-quality government bonds that have a low credit risk. The Group's policy is to calculate a 12-month ECL on these assets. If there is a significant increase in credit risk, then a lifetime ECL will be recognised. A significant increase in credit risk is considered to have occurred when contractual payments are more than 30 days past due.
- **Financial assets at FVOCI – equity instruments** are revalued to fair value on a regular basis.
- **Financial assets at FVPL** – no ECL is calculated for assets held at FVPL as any expected loss is already recognised in the recorded fair value of the asset.

17. Financial assets and financial liabilities continued

Offsetting
Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair value hierarchy
The Group uses the following valuation hierarchy for determining and disclosing the fair value of financial instruments:
— Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
— Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
— Level 3: techniques which use inputs, which have a significant effect on the recorded fair value, that are not based on observable market data.

For Level 1, the fair value is based on market price quotations at the reporting date.

For assets and liabilities classified as Level 2, the fair value is calculated using one or more valuation techniques (e.g. the market approach or the income approach) with market observable inputs. The selection of the appropriate valuation techniques may be affected by the availability and reliability of the relevant inputs. The inputs may include currency rates, interest rates, forward rate curves, and net asset values.

When observable market data is not available, the Group uses one or more valuation techniques for which sufficient and reliable data is available. The inputs used in estimating the fair value of Level 3 financial instruments typically include expected timing and amount of future cash flows, timing of settlement, discount rates and the net asset values of certain investments.

The Group determines whether a transfer between levels has occurred by reviewing the categorisation of assets and liabilities at the end of each reporting period, based on the lowest level input that is significant to the valuation.

Derivative financial instruments and hedging activities
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at regular intervals. The method of recognising any resulting measurement gain or loss depends on whether or not the derivative is designated as a hedging instrument and the nature of the item being hedged.

The Group uses foreign exchange forward contracts to manage its foreign exchange risk. It enters into a series of exchange contracts to purchase or sell certain currencies against sterling and US dollars in the future at fixed amounts. The Group has embedded foreign currency derivatives, primarily in revenue contracts where the currency of the contract is different from the functional or local currencies of the parties involved. The Group records these derivative instruments at fair value in the balance sheet as either assets or liabilities. Changes in fair value are recognised in the income statement.

The Group hedges a proportion of its net investment in foreign subsidiaries by designating some euro and US dollar borrowings and derivative instruments as net investment hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and remains in the hedging reserve until the underlying asset or liability is derecognised.

As part of the Group's interest rate management policy (see note 17.5), the Group enters into derivative instruments to convert a portion of its fixed rate debt into floating rate debt. These derivative instruments have been designated as fair value hedges. The carrying value of the hedged item is adjusted for fair value changes attributable to the risk being hedged, with the corresponding entry recorded in the income statement. Changes in fair value of the derivative instruments are also recognised in the income statement.

In order to qualify for hedge accounting, a transaction must meet strict criteria regarding documentation, effectiveness, probability of occurrence and reliability of measurement. We document the relationship between hedging instruments and hedged items at the inception of the transaction, as well as documenting the risk management objectives and strategy for undertaking various hedging transactions. The effectiveness of the hedge is tested at each reporting date and at the commencement and conclusion of any hedge in order to verify that it continues to satisfy all the criteria for hedge accounting. Any ineffective portion is recognised in the income statement as finance income or expense.

Amounts that have accumulated through other comprehensive income in the hedging reserve are recognised in the income statement in the period when the hedged item affects profit or loss (for example, when the forecast transaction that is hedged takes place). When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss remains in the hedging reserve: it is only recognised in the income statement when the forecast transaction itself is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported through other comprehensive income is immediately recognised in the income statement.

The profit or loss on a derivative which is not designated as a hedging instrument is recognised directly in the income statement.

17. Financial assets and financial liabilities continued

17.1 Financial assets

31 December 2023	Amortised cost £m	FVOCI £m	FVPL £m	Total £m
Clearing business financial assets[1]				
— Clearing member trading assets	–	–	652,593	652,593
— Other receivables from clearing members	7,139	–	–	7,139
— Other financial assets[2]	–	17,275	–	17,275
— Clearing member cash and cash equivalents[2]	86,528	–	–	86,528
Total clearing member assets	93,667	17,275	652,593	763,535
Trade and other receivables[3]	1,980	–	15	1,995
Cash and cash equivalents	3,580	–	–	3,580
Investments in financial assets – equity instruments	–	372	–	372
Derivative financial instruments designated as fair value hedges				
— Interest rate swaps	–	–	47	47
Derivative financial instruments not designated as hedges				
— Cross-currency interest rate swaps	–	–	45	45
— Foreign exchange forward contracts	–	–	7	7
— Embedded foreign exchange contracts	–	–	6	6
Total derivative financial instruments	–	–	105	105
Total financial assets	99,227	17,647	652,713	769,587

1 At 31 December 2023, there are no provisions for expected credit losses in relation to any of the CCP businesses' financial assets held at amortised cost or FVOCI (2022: nil). The Group closely monitors its CCP investment portfolio and invests only in government debt and other collateralised instruments where the risk of loss is minimal. There was no increase in credit risk in the year and none of the assets are past due (2022: nil).
2 Clearing member cash and cash equivalents represents amounts received from the clearing members to cover initial and variation margins, and default fund contributions that are not invested in bonds. These amounts are deposited with banks, including central banks, or invested securely in short-term reverse repurchase contracts (reverse repos). Other financial assets represent the CCP investment in government bonds.
3 Prepayments of £230 million and contract assets of £4 million within trade and other receivables are not classified as financial instruments.

31 December 2022	Amortised cost £m	FVOCI £m	FVPL £m	Total £m
Clearing business financial assets				
— Clearing member trading assets	1,997	–	661,370	663,367
— Other receivables from clearing members	5,945	–	–	5,945
— Other financial assets	–	18,415	–	18,415
— Clearing member cash and cash equivalents	104,707	–	–	104,707
Total clearing member assets	112,649	18,415	661,370	792,434
Trade and other receivables[1]	1,344	–	12	1,356
Cash and cash equivalents	3,209	–	–	3,209
Investments in financial assets – debt instruments	–	226	–	226
Investments in financial assets – equity instruments	–	394	–	394
Derivative financial instruments not designated as hedges				
— Foreign exchange forward contracts	–	–	14	14
— Embedded foreign exchange contracts	–	–	34	34
Total derivative financial instruments	–	–	48	48
Total financial assets	117,202	19,035	661,430	797,667

1 Prepayments of £214 million and contract assets of £3 million within trade and other receivables are not classified as financial instruments.

17. Financial assets and financial liabilities continued

17.2 Financial liabilities

31 December 2023	Amortised cost £m	FVPL £m	Total £m
Clearing business financial liabilities			
— Clearing member trading liabilities	**–**	**652,593**	**652,593**
— Other payables to clearing members	**111,448**	**–**	**111,448**
Total clearing member financial liabilities	**111,448**	**652,593**	**764,041**
Trade and other payables[1]	**2,300**	**21**	**2,321**
Borrowings	**9,699**	**–**	**9,699**
Derivative financial instruments designated as net investment hedges			
— Cross-currency interest rate swaps	**–**	**52**	**52**
Derivative financial instruments not designated as hedges			
— Foreign exchange forward contracts	**–**	**11**	**11**
— Embedded foreign exchange contracts	**–**	**19**	**19**
Total derivative financial instruments	**–**	**82**	**82**
Total financial liabilities	**123,447**	**652,696**	**776,143**

1 Social security and other taxes of £155 million and deferred compensation of £21 million within trade and other payables are not classified as financial instruments.

31 December 2022	Amortised cost[1] £m	FVPL £m	Total[1] £m
Clearing business financial liabilities			
— Clearing member trading liabilities	1,997	661,370	663,367
— Other payables to clearing members	129,227	–	129,227
Total clearing member financial liabilities	131,224	661,370	792,594
Trade and other payables[1,2]	2,539	38	2,577
Borrowings[1]	8,823	–	8,823
Derivative financial instruments designated as net investment hedges			
— Cross-currency interest rate swaps	–	84	84
Derivative financial instruments not designated as hedges			
— Foreign exchange forward contracts	–	6	6
— Embedded foreign exchange contracts	–	6	6
Total derivative financial instruments	–	96	96
Total financial liabilities	142,586	661,504	804,090

1 For 2022, lease liabilities of £672 million were presented as trade and other payables. These have been reclassified to borrowings (see note 16) to better reflect the nature of the liability.
2 Social security and other tax liabilities of £76 million within trade and other payables are not classified as financial instruments.

17. Financial assets and financial liabilities continued

17.3 Fair values

Other than borrowings, we have assessed that the fair values of financial assets and financial liabilities categorised as being at amortised cost approximate to their carrying values. The fair values of the Group's borrowings are disclosed in note 16.1.

Fair value measurement hierarchy

The Group's financial assets and financial liabilities held at fair value consist largely of securities which are restricted in use for the operations of the Group's CCPs as managers of their respective clearing and guarantee systems.

The following tables provide the fair value measurement hierarchy of the Group's financial assets and financial liabilities measured at fair value.

Financial assets

31 December 2023	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total £m
Clearing business financial assets				
— Derivative instruments	10	7,271	–	7,281
— Non-derivative instruments	–	645,312	–	645,312
— Other financial assets	17,275	–	–	17,275
	17,285	652,583	–	669,868
Investments in financial assets – equity	–	–	372	372
Derivative financial instruments designated as fair value hedges				
— Interest rate swaps	–	47	–	47
Derivative financial instruments not designated as hedges				
— Cross-currency interest rate swaps	–	45	–	45
— Foreign exchange forward contracts	–	7	–	7
— Embedded foreign exchange contracts	–	6	–	6
— Trade and other receivables – other	–	–	15	15
Total financial assets measured at fair value[1]	17,285	652,688	387	670,360

1 There were no transfers between levels during the year.

31 December 2022	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total £m
Clearing business financial assets				
— Derivative instruments	98	7,418	–	7,516
— Non-derivative instruments	–	653,854	–	653,854
— Other financial assets	18,415	–	–	18,415
	18,513	661,272	–	679,785
Investments in financial assets – debt	226	–	–	226
Investments in financial assets – equity	–	–	394	394
Derivative financial instruments not designated as hedges				
— Foreign exchange forward contracts	–	14	–	14
— Embedded foreign exchange contracts	–	34	–	34
— Trade and other receivables – convertible loan notes	–	–	12	12
Total financial assets measured at fair value[1]	18,739	661,320	406	680,465

1 There were no transfers between levels during 2022.

17. Financial assets and financial liabilities continued

Financial liabilities

31 December 2023	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total £m
Clearing business financial liabilities				
— Derivative instruments	10	7,271	–	7,281
— Non-derivative instruments	–	645,312	–	645,312
	10	652,583	–	652,593
Contingent consideration payable	–	–	21	21
Derivative financial instruments designated as net investment hedges				
— Cross-currency interest rate swaps	–	52	–	52
Derivative financial instruments not designated as hedges				
— Foreign exchange forward contracts	–	11	–	11
— Embedded foreign exchange contracts	–	19	–	19
Total financial liabilities measured at fair value[1]	10	652,665	21	652,696

1 There were no transfers between levels during the year.

31 December 2022	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total £m
Clearing business financial liabilities				
— Derivative instruments	98	7,418	–	7,516
— Non-derivative instruments	–	653,854	–	653,854
	98	661,272	–	661,370
Contingent consideration payable	–	–	38	38
Derivative financial instruments designated as net investment hedges				
— Cross-currency interest rate swaps	–	84	–	84
Derivative financial instruments not designated as hedges				
— Foreign exchange forward contracts	–	6	–	6
— Embedded foreign exchange contracts	–	6	–	6
Total financial liabilities measured at fair value[1]	98	661,368	38	661,504

1 There were no transfers between levels during 2022.

17. Financial assets and financial liabilities continued

17.4 Hedging activities and derivatives

The Group hedges its exposure to foreign exchange and interest rate movements using derivative instruments. The Group applies hedge accounting where appropriate, and has designated some derivatives as net investment hedges, fair value hedges and cash flow hedges. The Group also has some derivatives which do not qualify for hedge accounting or have not been designated as hedges.

17.4a Net investment hedges

The Group uses net investment hedges to hedge the currency risk arising from its investment in foreign operations. The Group has designated some of its euro borrowings and cross-currency interest rate swaps, used to swap a portion of its euro borrowings into US dollar debt, as net investment hedges.

There is an economic relationship between the hedged items and the hedging instruments (the borrowings) as the euro and US dollar borrowings are matched by the Group's investments in euro and US dollar assets. The Group has established a ratio of 1:1 for the hedging relationships as the underlying foreign exchange risk of the borrowings is identical to the investments. To ensure the hedge is effective, the Group makes sure that the borrowings are always less than the value of the investments. Hedge ineffectiveness only arises if the value of the hedging instrument exceeds the value of the underlying net investment. The hedging instruments are detailed below.

Cross-currency interest rate swaps

In 2017, the Group entered into cross-currency interest rate swaps in order to more closely match the Group's currency of borrowing to the currency of its net assets and earnings.

As disclosed in note 16.1, two €500 million bonds (maturing in 2024 and 2029) were issued in 2017. €700 million of these bonds were swapped into $836 million through a series of cross-currency interest rate swaps which mature on the same dates as the bonds. These instruments effectively exchange some of the obligations and coupons of the bonds from euros into US dollars. These swaps have been designated as a hedge of the Group's net investments in its US dollar reporting subsidiaries and qualify for hedge accounting.

€700 million cross-currency interest rate swap	2023	2022
Fair value of derivative liability on the balance sheet	**(£52m)**	(£84m)
Nominal value of hedging instrument	**$836m**	$836m
Hedge ratio	**1:1**	1:1
Hedge effectiveness	**100%**	100%
Change in fair value of derivative	**£32m**	(£40m)
Change in value of net investment	**(£32m)**	£40m
Cumulative amount held in hedging reserve	**(£52m)**	(£84m)

Non-derivative hedges

Non-derivative hedges relate to euro borrowings which are matched against the Group's investments in euro denominated subsidiaries.

The remaining €300 million of the two €500 million bonds issued in 2017 which were not swapped into US dollars, together with the €500 million bond issued in 2018 (see note 16.1), qualify as hedging instruments against euro denominated subsidiaries and qualify for hedge accounting. The €700 million that has been swapped is included below and is netted against the fair value movement of the US dollar derivative in the hedging reserve.

Euro denominated bonds	2023	2022
Carrying value of debt on the balance sheet	**(£1,295m)**	(£1,326m)
Nominal value of hedging instrument	**€1,500m**	€1,500m
Hedge ratio	**1:1**	1:1
Hedge effectiveness	**100%**	100%
Change in carrying value of hedging instrument	**£31m**	(£73m)
Change in value of net investment	**(£31m)**	£73m
Cumulative amount held in hedging reserve	**£29m**	(£2m)

The Group has not drawn down on its committed bank facilities in euros or US dollars during the year. In 2022, the Group drew down on both facilities, but these drawings were not designated as net investment hedges. As at 31 December 2023 and 31 December 2022, there were no amounts outstanding on these facilities.

During the year, the Group issued euro and US dollar commercial paper, but these issuances were not designated as net investment hedges. There were no issuances of commercial paper during 2022. As at 31 December 2023, $937 million (£735 million) and €353 million (£306 million) were outstanding (31 December 2022: £nil).

Revolving credit facility, bridge facility and commercial paper	2023	2022
Change in carrying value of hedging instruments	**–**	–
Change in value of net investments	**–**	–
Cumulative amount held in hedging reserve	**£8m**	£8m

17.4b Cash flow hedges

The Group uses cash flow hedges to manage the interest rate risk on cash flows of highly probable forecast transactions.

Interest rate swaps

In 2021, the Group entered into a series of US dollar interest rate swaps with tenures of 3, 5 and 10 years, with aggregate principal amounts of $500 million, $1,000 million and $1,250 million respectively. The interest rate swaps were designated as cash flow hedges with the hedged item being planned bond issuances that were deemed highly probable at the time and related to the Refinitiv acquisition. The interest rate swaps were settled in March and April 2021 when the new bonds were issued (see note 16.1). At the date of settlement, a gain of $31 million (£22 million) was recognised in the hedging reserve, representing the effective portion of the gain on the hedging instrument. This will be recycled to the income statement over the term of the debt. During the year £3 million (2022: £3 million) was recycled to the income statement.

17. Financial assets and financial liabilities continued

17.4c Fair value hedges

The Group uses fair value hedges to hedge the risk of changes in the fair value of its fixed rate borrowings resulting from interest rate movements.

Interest rate swaps

In September 2023, the Group issued two €700 million fixed rate bonds, maturing in 2026 and 2030, as disclosed in note 16.1. On the same day, the Group entered into a series of euro interest rate swaps with tenures of 3 and 7 years, each with aggregate notional amounts of €700 million. As a result of the swaps, the Group receives a fixed rate of interest and pays floating rate interest based on the Euro Short-Term Rate (ESTR) plus a spread. Interest has been swapped from fixed to floating as part of the Group's interest rate management policy (see note 17.5).

The bonds and interest rate swaps have been designated as the hedged items and hedging instruments in a fair value hedging relationship. The interest rate swaps are used to hedge the exposure to changes in the fair value of the bonds. There is an economic relationship between the hedged items and hedging instruments as the terms of the fixed leg of the interest rate swaps match the terms of the bonds, such as notional amounts, interest rates and maturity dates. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying interest rate risk of the derivatives is identical to the hedged risk component.

To assess hedge effectiveness, the Group uses regression analysis for its retrospective hedge effectiveness testing to ensure the hedge remained highly effective. The Group uses the critical terms match approach for its prospective hedge effectiveness testing to ensure the hedge is expected to remain highly effective. Sources of hedge ineffectiveness include counterparty credit risk, which impacts fair value movements of the hedging instruments but not the hedged items.

€1,400 million interest rate swaps	2023	2022
Fair value of derivative asset on the balance sheet	£47m	–
Change in fair value of the derivative	£47m	–
Nominal value of the hedging instruments	€1,400m	–
Hedge ratio	1:1	–
Carrying amount of the borrowings on the balance sheet	(£1,254m)	–
Accumulated amounts of fair value adjustment on the hedged items	(£45m)	–
Change in value of hedged items	(£45m)	–
Hedge ineffectiveness recorded in net finance income in the income statement	(£2m)	–

17.4d Derivatives not designated as hedges

Cross-currency interest rate swaps

As part of the bond issuance and in addition to the interest rate swaps entered into in September 2023, as noted in 17.4c, the Group entered into a series of cross-currency interest rate swaps to swap the two €700 million bonds to $740 million, with a tenure of three years, and $742 million, with a tenure of seven years. These instruments effectively exchange the obligations and coupons of the bonds and interest rate swaps from euros to US dollars, in accordance with the Group's foreign exchange risk management policy (see note 17.5). As a result of the swaps, the Group receives euro floating rate interest based on ESTR plus a spread and pays US dollar floating rate interest based on the Secured Overnight Financing Rate (SOFR) plus a spread.

The cross-currency interest rate swaps have not been designated as hedges. This is because a portion of their fair value movements offset with income statement movements arising on other financial assets and liabilities, resulting in a natural hedge.

Foreign currency forwards

The Group uses foreign exchange contracts to manage foreign exchange risk. It enters into a series of exchange contracts to purchase or sell certain currencies against sterling and US dollars in the future at fixed amounts. The cumulative sterling notional amounts of contracts outstanding as at 31 December 2023 and 31 December 2022 were as follows:

	Traded against sterling		Traded against US dollars	
Sell/(buy)	2023 £m	2022 £m	2023 £m	2022 £m
Euro	(598)	(784)	97	48
US dollar	635	(40)	–	–
Sterling	–	–	–	(309)
Hong Kong dollar	(32)	–	–	–
Japanese yen	(29)	–	–	(36)
Singapore dollar	(22)	–	–	(32)
Romanian leu	(22)	–	–	–
Australian dollar	(20)	–	–	(22)
Canadian dollar	(13)	–	–	(14)
Swiss franc	(8)	–	–	(8)
Other currencies	(10)	–	–	–

17.4e Hedging reserve

	Note	2023 £m	2022 £m
1 January		(102)	14
Amounts recycled to the income statement	18.2	(3)	(3)
Foreign exchange translation		2	–
Net gains/(losses) on net investment hedges	18.2	63	(113)
31 December		**(40)**	(102)

As at 31 December 2023, £40 million of losses (2022: £40 million of losses) remain in reserves that have not been recycled to the income statement, as the Group continues to hold the underlying investments.

17. Financial assets and financial liabilities continued

17.5 Financial risk management

The Group seeks to protect its financial performance and the value of its business from various risks including exposure to capital, credit, concentration, country, liquidity, settlement, custodial and market risks. Details of these risks, which should be read in conjunction with the Principal Risks and Uncertainties on pages 79 to 88, are provided below.

Capital risk

Risk description

Capital risk relates to the Group's ability to meet regulatory capital requirements and minimum internal investment returns.

There is a risk that the Group's entities may not maintain, or have access to, sufficient high-quality capital to meet their regulatory, or other obligations. This could result in a loss of regulatory approvals and/or the imposition of financial sanctions.

The main capital risks faced by the Group are:

- An increased regulatory capital requirement of its regulated companies
- Negative yields on its investments
- An inability to raise debt or equity financing as a result of its own poor financial performance, or poor financing conditions

Risk management approach

The Group, which consists of both regulated and unregulated entities, is profitable and strongly cash generative. It can manage its capital structure (which consists of equity and debt capital) and react to changes in economic conditions by varying returns to shareholders, issuing new shares or increasing or reducing borrowings. The Board reviews dividend policy and funding capacity on a regular basis and the Group maintains comfortable levels of debt facility headroom. A high-level summary of the Group's capital structure is presented below:

Book value of capital	**2023 £m**	2022 £m
Total shareholders' funds	**23,807**	25,996
Group borrowings excluding lease liabilities	**9,063**	8,151

The Group maintains a Capital Management Policy, the execution of which is overseen by the Group's Financial, Investment and Capital Committee. The Group seeks to allocate capital in order to maintain a strong balance sheet, meet regulatory requirements, drive growth and offer suitable returns to shareholders. Regulated entities within the Group monitor compliance with policy and the capital requirements set by their respective regulatory authorities.

Regulatory and operational capital represents:

- Amounts held as cash and cash equivalents and investments in financial assets by regulated entities to satisfy their local regulatory capital requirements
- Letters of credit issued by the Group to customers and suppliers

The Group's total regulatory and operational capital is shown below:

Regulatory and operational capital	**2023 £m**	2022 £m
Total regulatory and operational capital[1]	**1,348**	1,427
Amount included in cash and cash equivalents	**1,329**	1,219

1 Includes investments in financial assets of £nil (2022: £191 million) and letters of credit totalling £19 million (2022: £17 million).

To ensure ongoing financial strength, access to new capital at a reasonable cost, and to sustain an investment grade credit rating, the Group monitors its leverage ratio against a target range of 1.5-2.5 times (moving from a target range of 1.0-2.0 times during 2023). Leverage is calculated as operating net debt (i.e. net debt after excluding lease liabilities and amounts set aside for regulatory and operational purposes) to adjusted EBITDA before foreign exchange gains or losses (Group adjusted earnings from continuing operations before net finance costs, tax, depreciation, amortisation and impairment and before foreign exchange gains or losses). At 31 December 2023, leverage was 1.8 times (2022: 1.8 times).

While the Group's bank borrowing facilities do not include financial covenants, the Group takes into account certain financial metrics (including liquidity headroom and the leverage ratio) when considering whether to increase the size of its borrowings and net debt. The Group seeks to maintain a strong investment grade credit rating and will always seek to return leverage to its target range if it rises temporarily.

17. Financial assets and financial liabilities continued

Credit and concentration risk

Risk description	Risk management approach
Credit risk relates to the potential for a Group counterparty (including CCP members, and any counterparty where there is exposure through payment, clearing or settlement processes) to be unable to meet its financial obligations to the Group when due. Credit concentration risk may arise through Group entities having large individual or connected exposures to groups of counterparties whose likelihood of default is driven by common underlying factors.	**Group** Credit risk is governed by policies set by the Group Risk function. Limits and thresholds for credit and concentration risk are reviewed regularly. Group companies make judgements on the credit quality of their clients. This is based on the client's financial position, the recurring nature of billing and collection arrangements and historical evidence relating to the client's ability to meet its financial liabilities as they fall due. The Group is exposed to a large number of clients and so we deem concentration risk on the Group's receivables to be low. The Group's main credit risk exposure arises on the financial assets shown earlier in note 17.1. There have been no significant increases in credit risk for these assets and no estimated credit losses have been recognised on other financial instruments. **Non-CCP entities** The principal source of non-CCP credit risk is the creditworthiness of the investment counterparties with which the Group deposits cash. The Group manages its credit risk by outlining the maximum financial exposure that may be taken against any one counterparty, based on an assessment of the counterparty's credit quality. Cash and cash equivalents are held with authorised counterparties of a high credit standing. Cash is held in unsecured interest-bearing current and call accounts. Cash equivalents comprise short-term deposits and AAA-rated money market funds. Derivative transactions (and other treasury receivable structures) must be in line with the Group's policy framework and may only be undertaken with highly rated counterparties. **CCPs** The principal source of CCP credit risk lies in the potential for one or more clearing members to default. Group CCPs manage this risk through robust financial risk management. Clearing members are selected based on an assessment of their supervisory capital as well as their technical and organisational strength. Each member must pay margins to the relevant Group CCP. The margins are in the form of cash and highly liquid securities. Clearing members also contribute to default funds managed by the Group CCPs. These aim to protect the integrity of the markets in the event of multiple defaults in extreme market circumstances. Group CCPs use stress tests to determine the appropriate margin and default fund requirements. These are reviewed by CCP risk committees who can take action as appropriate. CCPs are required by regulation to hold a minimum amount of capital (regulatory capital). Each of the Group's CCPs maintains this regulatory capital requirement, together with an additional holding of its own capital. This additional capital is to help manage credit risk during a significant market stress event or member default. The total clearing member contributions of margin and default funds across the Group CCPs is shown below:

Total collateral held		2023 £bn	2022 £bn
Collateral security	Cash received	**110**	127
	Non-cash pledged	**172**	147
	Guarantees pledged	**2**	2
Total collateral as at 31 December		**284**	276
Maximum collateral held during the year		**312**	310

Group CCPs manage the credit risk associated with margin and default fund contributions by investing the cash element in instruments or structures deemed "secure" by the relevant regulatory bodies. This includes: direct investments in highly rated, "regulatory qualifying" sovereign bonds and supra-national debt; investments in tri-party and bilateral reverse repos (receiving high-quality government securities as collateral); and, in certain jurisdictions, deposits with the central bank. The small proportion of cash that is invested unsecured is placed for short durations with highly rated counterparties where limits are applied with respect to credit quality, concentration and tenor.

	2023 £bn	2022 £bn
Total investment portfolio	**104**	123
Maximum portfolio size during the year	**147**	157
Additional portfolio information:		
Amount invested securely	**99.99%**	99.99%
Weighted average maturity (days)	**65**	53

17. Financial assets and financial liabilities continued

Risk description	Risk management approach
	Associated liquidity risks are considered in the investment mix and discussed further below in the Liquidity, Settlement and Custodial risk section. To address concentration risk, the Group maintains a diversified portfolio of high-quality, liquid investments and uses a broad range of custodians, payment and settlement banks and agents. The largest concentration of treasury exposures as at 31 December 2023 was with the French Government with an aggregate exposure of 43% of the total investment portfolio (2022: 40% with the French Government). **Trade receivables (including fees receivable)** An impairment analysis of trade and fees receivable is performed monthly using a provision matrix to measure expected credit losses based on factors such as the counterparty's historic payment practices, expected future payments and the economic environment at large. The calculation reflects current conditions together with forecasts of future economic conditions. None of the Group's trade receivables are material by individual counterparty.

	Trade receivables			
31 December 2023	**Fees receivable £m**	**<180 days £m**	**>180 days £m**	**Total £m**
Expected credit loss rate	**<1%**	**<1%**	**14.2%**	
Total receivables	**244**	**870**	**71**	**1,185**
Expected credit loss	**–**	**(3)**	**(10)**	**(13)**
Net trade and fees receivables	**244**	**867**	**61**	**1,172**

	Trade receivables			
31 December 2022	Fees receivable £m	<180 days £m	>180 days £m	Total £m
Expected credit loss rate	<1%	<1%	11.2%	
Total receivables	263	706	60	1,029
Expected credit loss	–	(2)	(7)	(9)
Net trade and fees receivables	263	704	53	1,020

Country risk

Risk description	Risk management approach
Country risk relates to those risks that are inherent when doing business with, or operating in, a country. Some governments may be unable or find it difficult to service their debts. This could have adverse effects, particularly on the Group's CCPs, potentially impacting cleared products, margin collateral, investments, the clearing membership and the financial industry as a whole. In addition, geopolitical events could impact our ability to operate in a country or impact the value of our assets in that country. We may even need to relocate activities or change our operating model in response.	The Group maintains a country risk framework to help assess and monitor the risk of doing business with, or operating in, a country. Group CCPs have specific risk management frameworks that address country risk for both clearing and margin operations. Contained in these frameworks are a suite of stress scenarios that consider deterioration of sovereign credit quality as well as other risk factors. These scenarios support CCPs in developing and maintaining the appropriate country risk measurement, monitoring and mitigation tools. Risk Committees oversee these risks and the associated policy frameworks to protect the Group against a potentially adverse impact arising from volatility in the sovereign debt markets. The Group CCPs' sovereign exposures at the end of the financial reporting periods were:

Country/organisation	**2023 £bn**	2022 £bn
France	**22**	30
USA	**13**	15
UK	**11**	7
European Union (supranational)	**2**	20
Other	**2**	2

17. Financial assets and financial liabilities continued

Liquidity, settlement and custodial risk

Risk description	Risk management approach
The Group's liquidity risk relates to its ability to meet its short- and long-term payment obligations as they fall due. Additionally, the Group's CCPs, and certain other Group entities, must maintain a level of liquidity (consistent with regulatory requirements) to make sure their services operate smoothly and to be able to continue to operate in the event of a significant stress event. The Group's settlement and custodial risks relate to the potential for a partner firm to default on its obligations in respect of custody, settlement, payment or other administration activities, or that no action is taken by the Group to mitigate these risks. This also includes the risk that client assets are immobilised as a result of a third-party bankruptcy.	**Group** The Group is profitable, has strong free cash flow and generates annuity-like revenue which is not significantly impacted by seasonal variations. The Group maintains sufficient liquid resources to meet its financial obligations as they fall due, and to invest in capital expenditure, pay dividends, meet its pension commitments and support or fund acquisitions or repay borrowings. Subject to regulatory constraints impacting certain entities, funds can (generally) be lent across the Group and cash earnings can be remitted through regular dividend payments by subsidiary companies. This is an important component of the Group Treasury cash management policy and approach. Management monitors the Group's cash flow forecasts and overlays sensitivities to these forecasts to reflect assumptions about more challenging market conditions or stress events. The Group will take the appropriate actions to satisfy working capital requirements when committing to large scale acquisitions, including making sure there is comfortable liquidity headroom projected over a reasonable time frame. **Non-CCP entities** The Group Treasury Policy requires the Group to maintain adequate credit facilities provided by a diversified lending group to cover its expected funding requirements and ensure a minimum level of headroom for at least the next 24 months. The financial strength of the Group's lenders is monitored regularly. For full details of the Group's borrowings and facilities, see note 16.1. **CCPs** In order to meet the cash requirements of the clearing and settlement cycle, the Group's CCPs maintain sufficient cash and cash equivalents and, in certain jurisdictions, have access to central bank refinancing or commercial bank credit lines. Regulations require CCPs to ensure that appropriate levels of back-up liquidity are in place to underpin the dynamics of a largely secured cash investment requirement, ensuring that the maximum potential outflow under extreme market conditions is covered (see credit and concentration risk section above). In the event of a member default, Group CCPs can liquidate the defaulting member's portfolio to cover both losses associated with the default and settlement of any other financial obligations of the defaulting member. In addition, certain Group companies, including the CCPs, maintain commercial bank facilities which support management of intraday and overnight liquidity. Custodians are subject to minimum eligibility requirements, ongoing credit assessments and robust contractual arrangements. They are also required to have appropriate contingency arrangements in place. **Financial liability maturity** The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table reflect the contractual undiscounted cash flows. The borrowings and lease liabilities include future interest that has not been accrued at the balance sheet date.

31 December 2023	**Less than 1 year £m**	**Between 1 and 2 years £m**	**Between 2 and 5 years £m**	**Over 5 years £m**	**Total £m**
Borrowings (excluding lease liabilities)	**2,166**	**581**	**3,394**	**3,930**	**10,071**
Trade and other payables	**1,896**	**–**	**–**	**–**	**1,896**
Lease liabilities	**137**	**113**	**235**	**253**	**738**
Clearing member liabilities	**764,041**	**–**	**–**	**–**	**764,041**
Derivative financial instruments	**60**	**6**	**–**	**16**	**82**
Other non-current payables	**–**	**55**	**314**	**241**	**610**

31 December 2022	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m	Total £m
Borrowings (excluding lease liabilities)	1,440	967	2,008	4,754	9,169
Trade and other payables	2,004	–	–	–	2,004
Lease liabilities	158	110	216	283	767
Clearing member liabilities	792,594	–	–	–	792,594
Derivative financial instruments	9	57	–	30	96
Other non-current payables	–	64	338	247	649

17. Financial assets and financial liabilities continued

Market risk – foreign exchange risk

Risk description

The Group operates globally with primary centres in the UK, Europe and North America. It also has growing and strategically important businesses in Asia. The Group's principal currencies of operation are sterling, US dollars, and the euro.

The Group is exposed to transactional foreign exchange risk and translational risk. Transactional risk arises when we buy or sell goods or services in a currency other than our entities' functional currencies. We may be exposed to movements in that currency. Translational risk arises from the translation of account balances recorded in an entity's functional currency into the Group's reporting currency for the purpose of statutory reporting.

Transactional foreign exchange risk may present itself in payment of intragroup dividends or when interest obligations, which are in a different currency, are due. However, both of these operations play their part in controlling the level of translational foreign exchange exposure the Group faces.

Transactional foreign exchange risk may also arise when investing in, or divesting from, operations denominated in currencies other than sterling.

In addition, the Group has some contracts/cash flow profiles with a foreign exchange component that could trigger embedded derivative recognition and, as such, fair value accounting treatment.

Risk management approach

Translational risk

The Group manages its translational risk, where possible, by matching the currency of its debt to the currency of its earnings, to make sure certain key financial metrics are protected from material foreign exchange rate volatility. The Group also seeks to balance the currency of its assets with its liabilities. In order to mitigate the impact of unfavourable currency exchange rate movements on earnings and net assets, non-sterling cash earnings are centralised and applied to debt and interest payments in the same currency. Where required, currency of debt is re-balanced using cross-currency swaps to better match the currency of debt to the overall currency of earnings.

A material proportion of the Group's debt is held in or swapped into euros and US dollars as noted below:

Currency of debt	**2023 £m**	2022 £m
Euro denominated drawn debt	**4,148**	2,652
Euro denominated cross-currency interest rate swaps	**(1,818)**	(695)
US dollar denominated drawn debt	**4,263**	5,014
US dollar denominated cross-currency interest rate swaps	**1,818**	695

The cross-currency interest rate swaps are directly linked to euro fixed debt. A proportion of the euro and US dollar denominated debt, including the cross-currency swaps, provide a hedge against the Group's net investment in euro and US dollar denominated entities.

At 31 December 2023, the Group's designated hedges of its net investments were effective.

Transactional risk

While transactional foreign exchange exposure is limited, the Group mitigates this by either hedging material transactions with appropriate derivative instruments or by settling currency payables or receivables within a short timeframe. The Group Treasury Policy requires cash flows of single transactions or a series of linked transactions of more than £2 million or equivalent per annum to be hedged. The risk is also minimised by the periodic exchange of cash into each Group entity's functional currency. Where appropriate, hedge accounting for derivatives is considered in order to mitigate material levels of income statement volatility.

Governance and sensitivity

The Group's Risk Committee reviewed the approach to foreign exchange risk management during the quarter ended 31 December 2023.

In addition to projecting and analysing its earnings and debt profile by currency, the Group reviews sensitivities to movements in exchange rates. The Group has considered movements in the euro and the US dollar over 2023 and 2022 and, based on actual market observations between its principal currency pairs, has concluded that a 10% movement in rates is a reasonable level to illustrate the risk to the Group. The impact on profit after tax and equity is set out in the table below:

		2023		2022	
		Profit after tax £m	**Equity £m**	Profit after tax £m	Equity £m
Euro	Sterling weakens	**5**	**(68)**	6	(71)
	Sterling strengthens	**(4)**	**64**	(5)	64
US dollar	Sterling weakens	**7**	**(66)**	18	(68)
	Sterling strengthens	**(6)**	**60**	(16)	61

The sensitivity of profit after tax reflects foreign exchange gains or losses on translation of financial assets and financial liabilities, including cash and borrowings but excluding hedged balances.

The sensitivity of equity reflects the foreign exchange gains or losses on translation of euro and US dollar borrowings that have been designated as hedges of a net investment in foreign operations.

17. Financial assets and financial liabilities continued

Market risk – interest rate risk

Risk description	Risk management approach
The Group's interest rate risk arises from the impact of changes in interest rates on cash held and investments in financial assets, and on borrowings held at floating rates. The Group may also face future interest rate exposure connected to M&A transactions where significant debt financing is involved. The Group's CCPs have member liabilities, and separately achieve returns which support the payment of these liabilities. A CCP's interest rate risk can increase if the reference rates used to calculate liabilities increase while the reference rates that underpin investment returns decrease (or do not increase by the same amount). Group companies that offer guaranteed settlement of traded securities can also be exposed to latent interest rate risk (and market risk more generally) in the event of a counterparty default.	The Group's interest rate management policy focuses on protecting the Group's credit rating and limiting the impact of interest rate increases on Group earnings. To support this objective, the Group targets a maximum debt floating rate component of 50%. This approach reflects the broad natural hedge of floating rate borrowings provided by the significant balances of cash and cash equivalents held effectively at floating rates of interest. At 31 December 2023 the floating rate component of total debt was 26% (2022: 16%). Where the Group has committed to M&A transactions and is exposed to prospective interest rate risk on borrowings, the Group Treasury function will assess the exposure and consider hedging solutions that conform with policy and seek to limit future interest costs. In the Group's CCPs, interest-bearing assets are generally invested in secured instruments or structures. These tend to be for a longer term than interest-bearing liabilities, whose interest rate is reset daily. This makes investment returns vulnerable to volatility in overnight rates and shifts in spreads between overnight and term rates. Interest rate exposures (and the risk to CCP capital) are managed within defined risk appetite parameters against which sensitivities are monitored daily. In our review of the sensitivities to potential movements in interest rates, we have considered interest rate volatility over the last year and prospects for rates over the next 12 months. We have concluded that a 1 percentage point downward movement (with a limited prospect of material upward movement) reflects a reasonable level of risk to current rates. If interest rates on cash and cash equivalents and borrowings had been 1 percentage point lower, with all other variables held constant, profit after tax for 2023 would have been £9 million lower (2022: £8 million higher, based on interest rates being 1 percentage point higher) mainly as a result of lower interest income on floating rate cash and cash equivalents, partially offset by lower interest expense on floating rate borrowings. At the CCP level (in aggregate), if interest rates on the common interest-bearing member liability benchmarks of EONIA, Fed Funds and SONIA, (for euro, US dollar and sterling liabilities respectively), had been 1 percentage point lower, with all other variables held constant, the Group's profit after tax would have been £1 million higher (2022: £1 million lower, based on interest rates being 1 percentage point higher).

17. Financial assets and financial liabilities continued

17.6 Offsetting financial assets and financial liabilities

Accounting policy
The Group reports financial assets and financial liabilities on a net basis on the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liabilities simultaneously.

The Group applies the rules of legal right of set off and intent to net settle within its clearing member balances. The carrying values of the balances are offset at an appropriate level to arrive at the net balances reported in the balance sheet. The approach adopted is reviewed on a regular basis to ensure it remains the most appropriate. Any change in approach would not materially affect the net assets of the Group.

The following tables show the impact of netting arrangements on all financial assets and financial liabilities that are reported net on the balance sheet and where balances have not been netted but there is a right to offset in the event of default:

31 December 2023	Gross amount £m	Amount offset £m	Amount as reported in the balance sheet £m	Amounts not netted, but available in event of default[1] £m	Net amount £m
Other financial assets[2,3]	**2,340,881**	**(2,333,561)**	**7,320**	**(7,320)**	**–**
Repurchase agreements[2]	**769,971**	**(124,698)**	**645,273**	**(645,273)**	**–**
Derivative financial instruments[4]	**115**	**–**	**115**	**(12)**	**103**
Total assets	**3,110,967**	**(2,458,259)**	**652,708**	**(652,605)**	**103**
Other financial liabilities[2,3]	**(2,353,867)**	**2,346,547**	**(7,320)**	**7,320**	**–**
Reverse repurchase agreements[2]	**(769,971)**	**124,698**	**(645,273)**	**645,273**	**–**
Derivative financial instruments[4]	**(69)**	**–**	**(69)**	**12**	**(57)**
Total liabilities	**(3,123,907)**	**2,471,245**	**(652,662)**	**652,605**	**(57)**

31 December 2022	Gross amount £m	Amount offset £m	Amount as reported in the balance sheet £m	Amounts not netted, but available in event of default[1] £m	Net amount £m
Other financial assets[2,3]	2,404,794	(2,397,255)	7,539	(7,539)	–
Repurchase agreements[2]	798,844	(145,013)	653,831	(653,831)	–
Derivative financial instruments[4]	15		15	(6)	9
Total assets	3,203,653	(2,542,268)	661,385	(661,376)	9
Other financial liabilities[2,3]	(2,413,095)	2,405,556	(7,539)	7,539	–
Reverse repurchase agreements[2]	(798,844)	145,013	(653,831)	653,831	–
Derivative financial instruments[4]	(96)	–	(96)	6	(90)
Total liabilities	(3,212,035)	2,550,569	(661,466)	661,376	(90)

1 The Group's CCP companies act as principal and sit in the middle of members' transactions and hold default funds and margin amounts as a contingency against the default of a member. As such, further amounts are available to offset in the event of a default reducing the asset and liability to nil. The Group is subject to master netting arrangements in force with financial counterparties with whom the Group trades derivatives. The master netting arrangements determine the proceedings should either party default on their obligations. In the event of default, the non-defaulting party will calculate the sum of the replacement cost of outstanding transactions and amounts to be settled.
2 Offset amounts are clearing member trading assets and trading liabilities within the Group's CCP businesses' financial instruments.
3 The imbalance between assets and liability for gross and offset amounts is caused by the exclusion of settled to market ("STM") amounts from the gross balance on the ground that these trades are settled.
4 Balance includes accrued interest, which has been recorded in Trade and Other Receivables and Trade and Other Payables and excludes embedded derivatives.

18. Share capital, share premium and other reserves

This note details our share capital, share premium and other reserves. During the year, a number of shares were repurchased under our share buyback programmes.

Accounting policy
The **share capital** of the Company is the number of shares in issue at their par value. It consists of balances relating to the Company's ordinary equity shares, own shares held by the Employee Benefit Trust (EBT) and any treasury shares held by the Company.

Shares acquired by the Company from the open market as part of share buyback programmes are referred to as treasury shares and are held by the Company. The consideration payable is deducted from retained earnings. The par value of purchased treasury shares is recorded as a transfer from the Company's ordinary equity shares to treasury shares within share capital. No gain or loss is recognised by the Company in the income statement on the purchase, sale, issue or cancellation of the Company's treasury shares or of own shares held by the EBT.

When the Company issues new shares to the EBT at par, the share capital of the Company is increased by the par value of these own shares, and a corresponding deduction or debit is recorded in the share-based payment reserve.

The Company may also issue new shares to the EBT to satisfy vesting of specific employee share schemes. These shares may be issued at a subscription price above par value, reflecting the option cost payable by the participant in the employee share scheme. In such instances, the share capital of the Company is increased by the par value of these own shares and the difference between the subscription price and the par value is recorded in share premium. A corresponding deduction or debit is recognised in the share-based payment reserve.

18.1 Ordinary share capital issued and fully paid

	Number of shares[1] millions	Ordinary share capital[1] £m	Share premium[2] £m	Total £m
1 January 2022	557	39	978	1,017
Issue of shares to the Employee Benefit Trust[3]	1	–	–	–
Share buyback	(4)	–	–	–
31 December 2022	554	39	978	1,017
Issue of shares to the Employee Benefit Trust[3]	**2**	**–**	**–**	**–**
Share buyback	**(15)**	**(1)**	**–**	**(1)**
31 December 2023	**541**	**38**	**978**	**1,016**

1 Ordinary share capital consists of 548,841,716 ordinary shares of $6^{79/86}$ pence. At 31 December 2023, the Group held 7,632,733 (2022: 3,797,344) treasury shares which were acquired as part of its share buyback programme.
2 Share premium is the amount subscribed for share capital in excess of par value.
3 The Board approved the allotment and issue of 98,158 ordinary shares at par to the EBT (2022: 883,174 ordinary shares at par) and the transfer of 1,904,252 treasury shares (2022: nil) to settle employee share plans.

Share buyback
In 2023, the company repurchased 15.2 million (2022: 3.8 million) of its own shares. As shown in the consolidated statement of changes in equity, retained earnings have therefore reduced by £1,007 million (2022: £503 million).

During 2023, as part of its 12-month £750 million share buyback programme launched in 2022, the Company repurchased 5.7 million of its own shares for £450 million (2022: £300 million) of which £200 million had been irrevocably committed to as at 31 December 2022. The deduction from retained earnings of £253 million (2022: £503 million) reflects:
— the £250 million (2022: £300 million) to repurchase 3 million of its own shares from the market;
— an irrevocable commitment of £nil (2022: £200 million) to purchase shares during the close period; and
— total costs directly attributable to this share buyback programme of £3 million (2022: £3 million).

In September 2023, the Group completed the off-market purchase of limited voting ordinary shares from York Holdings II Limited and York Holdings III Limited. The Shares repurchased were cancelled immediately. The deduction from retained earnings of £754 million reflects:
— the £750 million to repurchase 9.5 million limited voting ordinary shares; and
— total costs directly attributable to this repurchase of £4 million.

18. Share capital, share premium and other reserves continued

18.2 Other reserves

	Note	Merger relief reserve[1] £m	Capital redemption reserve[2] £m	Reverse acquisition reserve[3] £m	Hedging reserve[4] £m	Foreign exchange translation reserve[5] £m	Total £m
1 January 2022		18,286	514	(512)	14	505	18,807
Changes in fair value recognised		–	–	–	(113)	–	(113)
Amount recycled to income statement		–	–	–	(3)	–	(3)
Foreign exchange differences on translation of foreign operations		–	–	–	–	2,448	2,448
31 December 2022		18,286	514	(512)	(102)	2,953	21,139
Shares cancelled		**–**	**1**	**–**	**–**	**–**	**1**
Changes in fair value recognised	17.4	**–**	**–**	**–**	**63**	**–**	**63**
Amount recycled to income statement	17.4	**–**	**–**	**–**	**(3)**	**–**	**(3)**
Foreign exchange differences on translation of foreign operations		**–**	**–**	**–**	**2**	**(1,328)**	**(1,326)**
31 December 2023		**18,286**	**515**	**(512)**	**(40)**	**1,625**	**19,874**

1 The merger relief reserve is a potentially distributable reserve arising as a result of shares issued to acquire subsidiaries.
2 The capital redemption reserve was set up as a result of a court approved capital reduction scheme and is non-distributable.
3 The reverse acquisition reserve arose as a result of the acquisition of London Stock Exchange plc in 2007. It is recognised on consolidation as a result of a capital reduction scheme and is non-distributable.
4 The hedging reserve represents the cumulative fair value adjustments recognised in respect of net investment and cash flow hedges entered into in accordance with hedge accounting principles. It is distributable under certain circumstances. Net gains and losses are recognised in other comprehensive income and balances remain in equity until both the hedging instrument and the underlying instrument are derecognised. Gains realised on cash flow hedges during the year are amortised through the income statement over the life of the underlying instrument. During the year, £3 million (2022: £3 million) was recycled back through the income statement.
5 The foreign exchange translation reserve records the cumulative impact of foreign exchange rate movements on the translation of non-sterling subsidiary companies into sterling. It is distributable under certain circumstances. Net gains and losses on translation are recognised in other comprehensive income and amounts remain in equity until the subsidiary is derecognised.

19. Non-controlling interests

A non-controlling interest arises when the Group does not own all of a subsidiary, but the Group retains control.

Accounting policy
Non-controlling interests
The Group recognises non-controlling interests in a business either at fair value or at the non-controlling interest's proportionate share of the net assets. This treatment is determined on an acquisition-by-acquisition basis. After initial recognition, the carrying value of the non-controlling interest is adjusted for any changes in equity and the total comprehensive income attributable to the non-controlling interest holders, less dividends paid.

Change in the ownership interest of a subsidiary company, without loss of control
For acquisitions or disposals of non-controlling interests where control of the subsidiary remains with the Group, the difference between any consideration paid or received, and the relevant share of net assets acquired or sold, is recognised in equity.

Financial information for subsidiary entities or groups that have material non-controlling interests is provided below:

Proportion of economic interest held by non-controlling interests	2023	2022
Tradeweb group	**49.0%**	48.8%
LCH Group	**17.4%**	17.4%
Turquoise Global Holdings Limited	**15.8%**	15.8%

Profit from continuing operations allocated to non-controlling interests	Notes	2023 £m	2022 £m
Tradeweb group	19.1	**110**	116
LCH Group	19.2	**77**	72
Other		**–**	1
		187	189

19. Non-controlling interests continued

Accumulated balance of non-controlling interests	Notes	2023 £m	2022 £m
Tradeweb group	19.1	**1,828**	1,813
LCH Group[1]	19.2	**300**	333
Other		**9**	9
		2,137	2,155

1 During the year, the LCH Group acquired an additional 11% of LCH SA for £95 million, taking its ownership to 100%. The Group recognised a decrease in non-controlling interests of £53 million and a decrease in equity attributable to equity holders of £42 million.

Summarised financial information for the Tradeweb and LCH groups is provided below.

19.1 Tradeweb group

The Group has a 45.7% economic interest in Tradeweb Markets Inc, a US company. Tradeweb Markets Inc is the parent company of Tradeweb Markets LLC in which the Group holds a further direct interest. This gives the Group an effective economic interest of 51.0% in Tradeweb Markets LLC.

The Tradeweb group's summarised financial information below differs from that reported by Tradeweb. The numbers disclosed here include adjustments to bring their accounting policies in line with those used by the Group and include the impact of acquisition accounting.

Summarised financial information attributable to non-controlling interests[1]	2023 £m	2022 £m
Profit for the year attributable to non-controlling interests	**110**	116
Total comprehensive income for the year attributable to non-controlling interests	**3**	308
Dividends paid to non-controlling interests in the year	**33**	30

1 The summarised financial information includes any amortisation and impairment of goodwill and purchased intangible assets, and the related deferred tax benefit attributable to non-controlling interests.

Summarised balance sheet[1]	2023 £m	2022 £m
Non-current assets	**7,909**	8,500
Current assets	**1,846**	1,245
Current liabilities	**(540)**	(212)
Non-current liabilities	**(504)**	(470)
Net assets	**8,711**	9,063
Attributable to:		
Equity holders of the company	**6,883**	7,250
Non-controlling interests	**1,828**	1,813
Total equity	**8,711**	9,063

1 The summarised balance sheet includes goodwill and purchased intangible assets together with associated amortisation, impairment and deferred tax.

Summarised total comprehensive income[1] and cash flows	2023 £m	2022 £m
Total income for the year	**1,078**	961
Total profit for the year	**433**	328
Total comprehensive income for the year	**169**	805
Net increase in cash and cash equivalents	**288**	331

1 The summarised total comprehensive income of the Tradeweb group excludes any amortisation and impairment of goodwill and purchased intangible assets (together with any associated deferred tax) attributable to non-controlling interests.

19.2 LCH Group

The Group owns 82.6% of LCH Group Holdings Limited, which is the parent of LCH Limited, based in the UK, and LCH SA, based in France. During the year, the LCH Group acquired the 11% non-controlling interest in LCH SA, giving it a 100% interest in LCH SA.

Summarised financial information attributable to non-controlling interests[1]	2023 £m	2022 £m
Profit for the year attributable to non-controlling interests	**77**	72
Total comprehensive income for the year attributable to non-controlling interests	**65**	82
Dividends paid to non-controlling interests in the year	**47**	50

1 The summarised financial information includes any amortisation and impairment of goodwill and purchased intangible assets and the related deferred tax benefit attributable to non-controlling interests.

Summarised balance sheet[1]	2023 £m	2022 £m
Non-current assets	**501**	557
Current assets	**765,621**	794,130
Current liabilities	**(764,511)**	(793,064)
Non-current liabilities	**(24)**	(52)
Net assets	**1,587**	1,571
Attributable to:		
Equity holders of the company	**1,287**	1,238
Non-controlling interests	**300**	333
Total equity	**1,587**	1,571

1 The summarised balance sheet includes goodwill and purchased intangible assets together with associated amortisation, impairment and deferred tax.

Summarised total comprehensive income[1] and cash flows	2023 £m	2022 £m
Total income for the year	**1,063**	952
Total profit for the year	**418**	368
Total comprehensive income for the year	**356**	411
Net increase in cash and cash equivalents	**239**	126

1 The summarised total comprehensive income of the LCH Group excludes any amortisation and impairment of goodwill and purchased intangible assets (together with any associated deferred tax) attributable to non-controlling interests.

20. Share-based payments

We operate various employee share-based compensation plans which allow employees to receive or acquire shares in the Company in different ways. This note describes our main share plans.

Accounting policy
The Group issues equity-settled share-based awards to certain employees. The share-based payment expense recognised in the income statement is determined by the fair value (using a stochastic valuation model) of the options granted or shares awarded at the date of grant. The calculated expenses are recognised over the relevant vesting periods.

The fair value of the awards granted:
— includes any market performance conditions (for example, Total Shareholder Return (TSR)); and
— excludes the impact of any service and non-market performance vesting conditions (for example, the need to remain an employee for a specified period of time).

In the very few countries where the Group cannot issue equity-settled awards due to local restrictions, cash-settled share-based awards are issued instead.

The charges arising from equity-settled share-based payment plans are as follows:

Continuing operations	Notes	2023 £m	2022 £m
Group share plans[1]	20.1	**87**	79
Shares issued to Management Incentive Plan (MIP) participants	20.2	**2**	16
		89	95
Tradeweb share schemes (recognised in non-controlling interests)	20.3	**54**	63
Total share-based payment expense	4.1	**143**	158

1 Charges of £3 million (2022: £1 million) relate to plans that are cash-settled as a result of local regulations.

The following amounts were recognised in equity:

	2023 £m	2022 £m
Share-based payments	**86**	94
Cash receipts from employees on vesting	**6**	5
	92	99

20.1 Group share plans
The Group has the following share plans:
— **Save As You Earn and International Sharesave Plan 2018 (SAYE)**
The SAYE schemes provide for grants of options over the Company's shares to employees who enter into a savings contract. The options are granted at 20% below the market price on the date of grant and vest after three years, subject to continuing employment. The holders of the share options are not entitled to receive dividends declared during the vesting period.
— **Long-Term Incentive Plan 2014 (LTIP)**
Awards are granted at nil cost to employees. Vesting of LTIP awards is dependent on both market and non-market performance conditions. The performance conditions include achievement of relative TSR (40%) and adjusted EPS (60%) targets. The holders of LTIP awards are not entitled to receive dividends declared during the vesting period.
— **Restricted Share Award Plan 2018 (RSAP)**
The Group operates a restricted share plan, the RSAP. It consists of an award of restricted stock units and matching shares. Matching shares are linked to an investment by the employee in the Company's shares. Awards are granted at nil cost to employees and generally vest in tranches after one, two and three years, subject to continuing employment. The holders of RSAP awards are not entitled to receive dividends declared during the vesting period.
— **Deferred Bonus Plan (DBP)**
DBP awards are granted at nil cost to employees. Awards usually vest after two or three years, subject to continuing employment and malus and clawback provisions. The holders of the DBP awards are entitled to receive a cash amount equal to the aggregate amount of the dividends declared during the vesting period.
— **International Share Incentive Plan (ISIP)**
The ISIP is a scheme in which employees can buy shares in the Company monthly via salary deduction. For every four shares purchased (purchased shares) by the employee, the Group awards them one additional share (accumulated shares) which vests after completion of a three-year plan cycle. Accumulated shares are not entitled to receive dividends declared during the vesting period.

Further details on the Group's share plans are provided in the Directors' Remuneration Report on pages 117 to 153.

The Company has an Employee Benefit Trust (EBT) to administer the share plans and to acquire Company shares to meet the commitments to Group employees. At 31 December 2023, 1,178,957 Company shares were held by the trust (2022: 259,129). The EBT is fully funded by the Company via loans, cash gifts and the issue and transfer of shares. The cost of the Group's shares held by the EBT are recognised directly in equity.

20. Share-based payments continued

Movements in the number of share options and awards outstanding and their weighted average exercise prices are as follows:

	SAYE		LTIP/RSAP[1,2]	ISIP[2]
	Number	Weighted average exercise price £	Number	Number
1 January 2022	582,174	56.57	2,846,434	1,018
Granted	150,359	63.71	1,527,435	14,662
Exercised	(127,662)	38.83	(1,038,073)	–
Lapsed/forfeited	(70,601)	58.47	(250,125)	(828)
31 December 2022	534,270	62.57	3,085,671	14,852
Granted	**185,579**	**65.97**	**1,567,358**	**18,619**
Exercised	**(115,432)**	**56.53**	**(978,175)**	**(351)**
Lapsed/forfeited	**(58,319)**	**62.78**	**(506,727)**	**(1,787)**
31 December 2023	**546,098**	**64.98**	**3,168,127**	**31,333**

Exercisable at				
31 December 2023	**10,804**	**64.61**	**–**	**–**
31 December 2022	3,183	63.39	–	–

1 At 31 December 2023, RSAP awards of 1,237,425 shares were outstanding (2022: 1,078,328).
2 The LTIP/RSAP and ISIP awards have a nil exercise price. 9,192 matching shares were granted under the RSAP in the year (2022: 106,637).

The weighted average share price of London Stock Exchange Group plc shares during the year was £81.66 (2022: £76.11).

The range of exercise prices and weighted average remaining contractual life of awards and options outstanding are as follows:

	2023		2022	
	Number outstanding	Weighted average remaining contractual life Years	Number outstanding	Weighted average remaining contractual life Years
SAYE				
— Less than £60	**414**	**0.1**	121,379	0.1
— Between £60 and £65	**364,237**	**1.3**	412,891	1.7
— Between £65 and £70	**181,447**	**2.9**	–	–
LTIP/RSAP	**3,168,127**	**1.3**	3,085,671	1.3
ISIP	**31,333**	**1.7**	14,852	2.1
Total	**3,745,558**		3,634,793	

A Monte Carlo simulation was used to calculate the fair value of the 40% of the LTIP awards granted during the year that are subject to a relative TSR condition. The model simulates the TSR and compares it against the constituents of the UK FTSE 100.

The Black-Scholes model was used to determine the related fair value for the RSAP, SAYE and remaining 60% of LTIP awards that are subject to adjusted EPS.

The inputs into both models include the share price at grant date, expected volatility, dividend yields, annual risk-free interest rate and expected life of the awards. The volatility assumption is based on the historical three-year volatility of the Company's share price as at the date of grant. The risk-free interest rate represents the yield available on a UK zero-coupon government bond on the date of grant for a term commensurate with the vesting period of the award. The expected life refers to the time from the date of grant to the date the awards vest.

20. Share-based payments continued

The key assumptions used in the valuations were as follows:

		LTIP Performance Shares		RSAP			
Date of grant		**17-Mar**	**13-Sep**	**17-Mar**	**16-Jun**	**13-Sep**	**14-Dec**
Grant date share price (£)		73.26	83.34	73.26	87.66	83.34	93.22
Expected life (years)	from	3.0	3.0	0.50	0.46	0.22	0.23
	to	4.0	–	4.00	3.75	4.51	2.98
Exercise price (£)		nil	nil	nil	nil	nil	nil
Dividend yield (%)	from	1.05	1.13	1.03	1.04	1.06	1.17
	to	–	–	1.35	1.34	1.32	1.33
Risk-free interest rate (%)	from	3.37	4.55	3.33	4.78	5.05	4.02
	to	–	–	3.65	5.10	4.62	4.64
Volatility (%)	from	31.02	26.63	20.71	19.84	12.38	12.70
	to	–	–	30.04	30.77	29.00	25.84
Fair value (£)	from	**–**	**–**	**70.32**	**84.33**	**79.47**	**90.03**
	to	**–**	**–**	**72.77**	**87.12**	**83.10**	**92.94**
Fair value TSR (£)	from	**35.33**	**46.86**	**–**	**–**	**–**	**–**
	to	**34.98**	**–**				
Fair value EPS (£)	from	**70.32**	**80.58**				
	to	**70.99**	**–**	**–**	**–**	**–**	**–**

		SAYE	DBP	ISIP
Date of grant	from	**29-Sep**	**17-Mar**	**1-Jan**
	to	**–**	**–**	**31-Dec**
Grant date share price (£)	from	82.40	73.26	73.46
	to	–	–	93.58
Expected life (years)	from	3.34	–	2.28
	to	–	–	3.12
Exercise price (£)		65.97	nil	nil
Dividend yield (%)	from	1.26	–	1.01
	to	–	–	1.24
Risk-free interest rate (%)	from	4.55	–	3.25
	to	–	–	5.09
Volatility (%)	from	27.23	–	23.94
	to	–	–	31.13
Fair value (£)		**27.15**	**73.26**	**79.36**

20. Share-based payments continued

20.2 Management Incentive Plan (MIP)

Members of Refinitiv's senior management team participated in the MIP set up by Refinitiv Holding Limited (now York Parent Limited). At the time of the Refinitiv acquisition, 6,041,336 shares relating to MIP participants were transferred to York Parent Limited as a part of the purchase consideration. To improve the retention of the participants, amendments were made to the MIP to include additional service vesting conditions. The Group recognises the MIP as a share-based payment settled by an external shareholder under IFRS 2 and recognises post combination compensation until the end of the three-year vesting period. The MIP share-based payment expense is classified as a non-underlying transaction cost.

20.3 Tradeweb share schemes

Tradeweb grants awards, including performance-based restricted share units (PRSUs), performance share units (PSUs) stock options, restricted stock units (RSUs) and dividend equivalent rights. The awards may have performance-based and time-based vesting conditions. Stock options have a maximum contractual term of 10 years.

— **PRSUs (Equity-Settled)**
  PRSUs are promises to issue shares at the end of a three-year vesting period. The number of shares a participant will receive upon vesting is determined by a performance modifier, which is adjusted based on Tradeweb's financial performance in the grant year. The fair value of the equity-settled PRSUs is calculated as at the grant date using the share price.
— **PSUs (Equity-Settled)**
  PSUs are promises to issue shares at the end of a three-year vesting period. The number of shares a participant will receive upon vesting is determined by a performance modifier, which is adjusted based on Tradeweb's total shareholder return over a three-year performance period. The fair value of the equity-settled PSUs is calculated as at the grant date using the Monte Carlo Simulation model.
— **Options**
  Tradeweb awards options with a four-year graded vesting schedule, one half vesting based solely on the passage of time and one half vesting only if Tradeweb achieves certain performance targets. Costs related to options are recognised as an expense in the income statement over the service period.
  The fair value of options is calculated as at the grant date using the Black-Scholes model.
— **RSUs**
  RSUs are promises to issue shares at the end of a vesting period. RSUs granted to employees vest over a three-year period. RSUs granted to non-employee directors vest after one year. The fair value of the RSUs is calculated as at the grant date using the share price.

21. Business combinations

During the year, the Group acquired the material businesses listed below. The results of the businesses have been consolidated since the date of acquisition:
— AcadiaSoft, Inc. (Acadia)
— Yieldbroker Pty Limited (Yieldbroker)

Accounting policy
Business combinations are accounted for using the acquisition method:

— The cost of an acquisition is measured as the aggregate of the consideration transferred and any contingent consideration, which are measured at fair value, and the value of any non-controlling interests in the acquiree.
— On an acquisition-by-acquisition basis, the Group elects whether to measure the non-controlling interests in the acquiree, if any, at fair value or at the proportionate share of the acquiree's identifiable net assets (see note 19).
— **Identifiable assets, liabilities and contingent liabilities** acquired are measured at fair value at acquisition date.
— **Goodwill** is initially measured at the amount by which the aggregate of the consideration transferred and the amount recognised for non-controlling interests (plus any previous interest held), exceeds the net identifiable assets acquired and liabilities assumed.

We evaluate the nature of any compensation for the selling shareholders' continuing employment to determine if any contingent payments are for post-combination employee services. These are excluded from consideration and together with other acquisition-related costs are classified as non-underlying transaction costs in the income statement (see note 2.3).

Significant accounting estimates and assumptions
See note 9 for the significant accounting estimates of intangible assets acquired as part of a business combination.

The purchase price allocations (PPA) (shown in 21.2 below) have been prepared on a provisional basis in accordance with IFRS 3 *Business Combinations*. If new information obtained within one year of the acquisition date, about facts and circumstances that existed at the acquisition date, identifies adjustments to the amounts below or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

21. Business combinations continued

21.1 Details of businesses acquired

Acquired business	Description of business	Reason for acquisition	Acquisition date	Voting equity interest acquired
Acadia	A leading provider of automated uncleared margin processing and integrated risk and optimisation services for the global derivatives community.	With deep domain expertise in margining, collateral and risk management, Acadia is complementary to LSEG's Post Trade capabilities. The transaction will strengthen LSEG's provision of resilient and systemically important financial markets infrastructure to our customers.	31 March 2023	86%[1]
Yieldbroker	Operator of an Australian trading platform for Australian and New Zealand government bonds and interest rate derivatives covering the institutional and wholesale client sectors.	With innovation relating to the electronification of fixed income markets, the acquisition of Yieldbroker aligns with Tradeweb's capabilities and mission to make markets more efficient. The acquisition will leverage the innovative trading and industry experience of Yieldbroker to create more liquid, transparent and efficient fixed income markets.	31 August 2023	100%

1 Prior to the acquisition LSEG held a 14% interest in Acadia and on 31 March 2023 recognised a £69 million non-underlying remeasurement gain on this investment in associate (see note 2.3).

21.2 Consideration transferred, assets acquired and liabilities assumed, and resulting goodwill

Goodwill arising from the acquisitions has been recognised as follows:

	Acadia £m	Yieldbroker £m	Other £m	Total £m
Purchase consideration				
— Cash (including settlement of share options)	**484**	**65**	**3**	**552**
— Fair value of previous interest held	**86**	**–**	**–**	**86**
Total purchase consideration	**570**	**65**	**3**	**638**
Less: Fair value of identifiable net assets acquired				
— Intangible assets: Customer and supplier relationships[1]	**(250)**	**(31)**	**–**	**(281)**
— Intangible assets: Software[1]	**(46)**	**–**	**(1)**	**(47)**
— Other non-current assets, excluding deferred tax assets	**(2)**	**(2)**	**–**	**(4)**
— Cash and cash equivalents	**(17)**	**(10)**	**(2)**	**(29)**
— Other current assets	**(16)**	**(2)**	**–**	**(18)**
— Total liabilities, excluding deferred tax liabilities	**36**	**11**	**1**	**48**
— Deferred tax liabilities/(assets)[2]	**66**	**(3)**	**–**	**63**
Fair value of identifiable net assets acquired	**(229)**	**(37)**	**(2)**	**(268)**
Goodwill	**341**	**28**	**1**	**370**
Allocated to cash-generating unit	**Post Trade**	**Tradeweb**	**D&A**	

1 The fair values of the net assets acquired were determined based on assumptions that reasonable market participants would use in the principal (or most advantageous) market and primarily included significant unobservable inputs (Level 3 of the fair value hierarchy). The following valuation methodologies were used to determine fair value:
– Customer relationships: multi-period excess earnings method (MEEM) (income approach)
– Software: relief from royalty method (income approach)
2 The deferred tax liability mainly comprises the tax effect of the intangible assets.

The goodwill is attributable to the anticipated growth in the underlying business and future technology not yet developed.

None of the goodwill recognised is expected to be deductible for income tax purposes.

21. Business combinations continued

21.3 Revenue and profit contribution

From the respective acquisition dates, for the period ended 31 December 2023, the material acquired businesses contributed revenue and profit before tax as follows:

	2023	
	Acadia	Yieldbroker
	Nine months £m	Four months £m
Revenue	45	4
Adjusted EBITDA	12	–
Loss before tax	(6)	(1)

If the acquisitions had all occurred on 1 January 2023, estimated Group revenue and adjusted EBITDA would have been as follows:

	2023
Continuing	Pro-forma Group £m
Revenue	8,084
Adjusted EBITDA	3,781

21.4 Acquisition-related costs, including employment-linked management incentive and earn-out arrangements

Acquisition-related costs are recognised as non-underlying items in the income statement (see note 2.3). The Group incurred acquisition-related costs as follows:

	2023	
	Acadia £m	Yieldbroker £m
Transaction costs[1]	7	3
Finance costs	–	1
Acquisition-related costs	7	4

1 Transaction costs include retention bonuses and advisor and professional fees.

22. Disposal of businesses and discontinued operations

This year we made no material disposals of businesses. This note therefore focuses on the disposal of BETA in 2022.

Accounting policy

An operation is regarded as a **discontinued operation** if it has already been sold and comprised a major line of business or geographical area of operation. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount of profit or loss after tax from discontinued operations in the income statement.

Disposal of BETA during the year ended 31 December 2022

On 1 July 2022, the Group disposed of BETA, Maxit and Digital Investor (collectively BETA). For the year ended 31 December 2022 it was presented as a discontinued operation and its results were excluded from the continuing operations of the Group.

22.1 Profit and total comprehensive income from BETA

	Note	2022 £m
Total income		132
Cost of sales and operating expenses		(58)
Profit before tax		74
Tax		(16)
Profit after tax of discontinued operation		58
Profit on disposal of discontinued operation, after tax (non-underlying)	22.2	454
Profit (and total comprehensive income) from discontinued operation		512

22.2 Profit on disposal of discontinued operations, after tax

	2022 £m
Proceeds from disposal	903
Carrying value of net assets disposed	(241)
Transaction costs	(44)
Profit on disposal of discontinued operation, before tax	618
Income tax on gain	(164)
Profit on disposal of discontinued operation, after tax	454

23. Transactions with related parties

The Group has a number of related parties including associates, Directors and Executive Committee members (see note 4.1). All significant transactions with related parties are carried out on an arm's length basis.

Transactions with associates
During the year, the Group recognised the following transactions with its associates:

	2023 £m	2022 £m
Amounts advanced to associates	**15**	–

Transactions with other related parties
Other related party transactions include the £750 million directed off-market purchase of limited voting ordinary shares from York Holdings II Limited and York Holdings III Limited (see note 18.1).

24. Commitments and contingencies

A commitment is a contractual obligation to make a payment in the future. These amounts are not recorded in the balance sheet as we have not yet received the related goods or services. The amounts below are the minimum amounts that we are committed to pay.

The Group has the following contracts in place for future expenditure which are not provided for in the consolidated financial statements:

Contract	**Description**	**Minimum commitment**
10-year strategic partnership with **Microsoft**	To architect LSEG's data infrastructure using the Microsoft Cloud, and to jointly develop new products and services for data and analytics	Minimum cloud-related spend of $2.8 billion over the term of the partnership[1]
Agreement with **Reuters News**, entered into in 2018, for a 30-year term	To receive news and editorial content	Minimum CPI adjusted payment, which was $368 million for 2023

1 The remaining commitment at 31 December 2023 is $2.8 billion.

In the normal course of business, the Group can receive legal claims and be involved in legal proceedings and dispute resolution processes including, for example, in relation to commercial matters, service and product quality or liability issues, employee matters and tax audits. The Group is also subject to periodic reviews, inspections and investigations by regulators in the UK and other jurisdictions in which it operates, any of which may result in fines, penalties, business restrictions and other sanctions. A provision for a liability is recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation from past events and a reliable estimate can be made of the amount of the obligation. Any provision recognised is inherently subjective and based on judgement.

For many of these matters it is too early to determine the likely outcome, or to reliably estimate the amount of any loss as a consequence and therefore no provision is made. While the outcome of legal and regulatory matters can be inherently difficult to assess and/or the potential loss often cannot be reliably estimated, we do not believe that the liabilities, if any, which could result from the resolution of the legal and regulatory matters that arise in the normal course of business are likely to have a material adverse effect on our consolidated financial position, profit, or cash resources. However, it is possible that future results could be materially affected by any developments relating to any such legal and regulatory matters.

25. Events after the reporting period

r8fin acquisition
On 19 January 2024, Tradeweb acquired R8FIN Holdings LP (r8fin), a technology provider that specialises in algorithmic-based execution for US Treasuries and interest rate futures. The total purchase price consideration is $125 million, consisting of $90 million in cash and $35 million in shares of Class A common stock of Tradeweb, subject to working capital and other adjustments.

Purchase of non-controlling interests
In February 2024, LSEG acquired 3.24% of the share capital in LCH Group Holdings Limited from certain minority shareholders for €168 million, taking LSEG's ownership of LCH Group Holdings Limited to 85.85%.

London Stock Exchange Group plc

Company Financial Statements
Year ended 31 December 2023
Registered number 5369106

Company balance sheet

At 31 December	Notes	2023 £m	2022 £m
Assets			
Non-current assets			
Investments in subsidiaries	3	**24,954**	24,922
Investments in associates		**–**	1
Other receivables	4	**143**	76
Deferred tax assets		**16**	8
		25,113	25,007
Current assets			
Trade and other receivables	4	**1,489**	1,296
Derivative financial instruments		**–**	11
Cash and cash equivalents	5	**5**	77
		1,494	1,384
Total assets		**26,607**	26,391
Liabilities			
Current liabilities			
Trade and other payables	6	**991**	1,494
Borrowings	7	**433**	–
Derivative financial instruments		**35**	–
		1,459	1,494
Non-current liabilities			
Borrowings	7	**1,350**	1,815
Other payables	6	**172**	188
Derivative financial instruments		**16**	84
		1,538	2,087
Total liabilities		**2,997**	3,581
Net assets		**23,610**	22,810
Equity			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital		**38**	39
Share premium		**978**	978
Retained earnings[1]		**3,796**	2,996
Other reserves		**18,798**	18,797
Total equity		**23,610**	22,810

1 As permitted by Section 408 of the Companies Act 2006, the Company's income statement has not been presented in these financial statements. The profit for the year was £2,252 million (2022: loss of £82 million).

The financial statements on pages 241–254 were approved by the Board on 28 February 2024 and signed on its behalf by:

David Schwimmer
Chief Executive Officer

Anna Manz
Chief Financial Officer

28 February 2024
London Stock Exchange Group plc
Registered number 5369106

Company statement of changes in equity

Year ended 31 December	Note	Number of shares[1] millions	Ordinary share capital £m	Share premium £m	Retained earnings £m	Other reserves		Total attributable to equity holders £m
						Merger relief reserve[2] £m	Capital redemption reserve[3] £m	
1 January 2022		557	39	978	4,086	18,283	514	23,900
Loss for the year		–	–	–	(82)	–	–	(82)
Dividends[4]		–	–	–	(567)	–	–	(567)
Share buyback[5]		(4)	–	–	(503)	–	–	(503)
Issue of shares to the Employee Benefit Trust (EBT)[6]		1	–	–	–	–	–	–
Share-based payments[7]	8	–	–	–	78	–	–	78
Impairment of loans to the EBT[7]		–	–	–	(20)	–	–	(20)
Cash receipts from employees on vesting[7]		–	–	–	4	–	–	4
31 December 2022		554	39	978	2,996	18,283	514	22,810
Profit for the year		**–**	**–**	**–**	**2,252**	**–**	**–**	**2,252**
Dividends[4]		**–**	**–**	**–**	**(611)**	**–**	**–**	**(611)**
Share buyback[5]		**(15)**	**(1)**	**–**	**(1,007)**	**–**	**1**	**(1,007)**
Issue of shares to the EBT[6]		**2**	**–**	**–**	**–**	**–**	**–**	**–**
Share-based payments	8	**–**	**–**	**–**	**83**	**–**	**–**	**83**
Reversal of impairment of loans to the EBT[8]		**–**	**–**	**–**	**77**	**–**	**–**	**77**
Cash receipts from employees on vesting		**–**	**–**	**–**	**6**	**–**	**–**	**6**
31 December 2023		**541**	**38**	**978**	**3,796**	**18,283**	**515**	**23,610**

1 At 31 December 2023, the Company held 7,632,733 (2022: 3,797,344) treasury shares which were acquired as part of its share buyback programme.
2 The merger relief reserve is a potentially distributable reserve arising as a result of shares issued to acquire subsidiaries.
3 The capital redemption reserve was set up as a result of a court approved capital reduction scheme and is non-distributable.
4 Dividends declared and paid are disclosed in note 8 of the Group's consolidated financial statements. The Board proposed a final dividend in respect of the year ended 31 December 2023 of 79.3p per share (31 December 2022: 75.3p per share).
5 The share buyback is disclosed in note 18 of the Group's consolidated financial statements.
6 The Board approved the allotment and issue of 98,134 ordinary shares at par to the EBT (2022: 883,174 ordinary shares at par) and the transfer of 1,904,252 treasury shares (2022: nil) to settle employee share plans.
7 The share-based payments movements recognised within equity for the year ended 31 December 2022 have been disaggregated to be consistent with 2023.
8 Following the transfer of treasury shares to the EBT and the consequent increase in its net assets, the impairment of loans to EBT recognised in prior years has been reversed by £77 million.

Notes to the Company financial statements

Reporting entity

These financial statements have been prepared for London Stock Exchange Group plc (the "Company"). The Company is a public limited company, incorporated and domiciled in England and Wales. The address of its registered office is 10 Paternoster Square, London, EC4M 7LS.

1. Accounting policies

This section describes the Company's material accounting policy information that relates to its financial statements and notes as a whole. Where an accounting policy relates to a particular note, it is disclosed in that note. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1.1 Basis of preparation

The Company's financial statements are prepared in accordance with the Companies Act 2006 and Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework. The Company adopted FRS 101 on 1 January 2023 with a transition date of 1 January 2022 and there were no adjustments to prior period information as a result of this change.

The following disclosure exemptions under FRS 101 have been considered and applied where deemed to be applicable:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7 Financial Instruments: Disclosures
- Paragraph 91 to 99 of IFRS 13 Fair Value Measurement (including disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The following paragraph of IAS 1 Presentation of Financial Statements
  - 10 (d) (statement of cash flows)
  - 16 (statement of compliance with all IFRS)
  - 111 (cash flow information)
  - 134-136 (capital management disclosures)
- IAS 7 Statement of Cash Flows
- Paragraph 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- Paragraph 17 of IAS 24 Related Party Disclosures (key management compensation) and paragraph 18A of IAS 24 Related Party Disclosures, related to key management services provided by a separate management entity
- IAS 36 Impairment of Assets disclosure of impairment reviews
- Paragraphs 88C and 88D of IAS 12 Income Taxes (qualitative and quantitative information about its exposure to Pillar Two income taxes)

The financial statements are prepared on a historical cost basis except for derivative financial instruments which are measured at fair value. The financial statements have been prepared on a going concern basis (see note 1.2 to the consolidated financial statements for this assessment).

As permitted by Section 408 of the Companies Act 2006, the Company's income statement has not been presented in these financial statements.

1.2 Significant accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are regularly reviewed based on historical experience, current circumstances and expectations of future events. There are no significant accounting estimates, assumptions and judgements in the preparation of the Company financial statements that have a significant effect on the amounts recognised in its financial statements.

1.3 Material accounting policy information applied in the current reporting period that relates to the Company financial statements as a whole

Foreign currencies

The financial statements are presented in sterling, which is the Company's functional currency.

Transactions in foreign currencies are initially recorded and translated into the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such foreign currency transactions or from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, either within operating expenses or net finance costs depending on the nature of the item or transaction.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the exchange rate at the date when the fair value was determined. The foreign exchange gain or loss on assets and liabilities carried at fair value is reported as part of the fair value gain or loss. This means foreign exchange gains and losses on non-monetary assets and liabilities held at fair value through profit or loss are recognised in the income statement within operating expenses.

Taxation

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities.

Dividends

Dividend distributions to the Company's equity holders are recognised as a liability in the Company financial statements in the period in which the dividends are approved by the Company's shareholders.

2. Income statement

2.1 Employees

The Company had no employees in the year (2022: nil). Details of Directors' emoluments are disclosed in the Remuneration Report on pages 117 to 153.

2.2 Auditors' remuneration

The fees paid or are payable to the Company's auditors, Ernst and Young LLP, and its associates for 2023 in respect of audit services were £0.6 million (2022: £0.5 million).

3. Investments in subsidiaries

Accounting policy

Investments in subsidiaries, as well as loans and other contributions to subsidiaries, are recognised at cost less accumulated impairment.

Investments in subsidiaries are reviewed for impairment when events indicate the carrying amount may not be recoverable. When an indication of impairment is identified, the investment's recoverable amount is estimated as the higher of its fair value less costs of disposal and its value-in-use. An impairment loss is recognised when the recoverable amount of an investment is less than its carrying amount.

	Shares £m	Other[1] £m	Total £m
Cost			
1 January 2022	24,338	1,017	25,355
Additional investments in subsidiaries	130	–	130
31 December 2022	24,468	1,017	25,485
Additional investments in subsidiaries[2,3]	**2,599**	**–**	**2,599**
Disposals[3]	**(1,797)**	**–**	**(1,797)**
31 December 2023	**25,270**	**1,017**	**26,287**
Accumulated impairment			
1 January 2022	563	–	563
Impairment	–	–	–
31 December 2022	563	–	563
Impairment[4]	**770**	**–**	**770**
31 December 2023	**1,333**	**–**	**1,333**
Net book value			
31 December 2023	**23,937**	**1,017**	**24,954**
31 December 2022	23,905	1,017	24,922

1 Other includes amounts invested in subsidiaries by way of capital contributions and awards granted under the Group's share schemes.
2 During the year, the Company invested £496 million in LSEGH US PT, Inc. to fund the acquisition of an additional 86% of the voting equity interest of AcadiaSoft, Inc. and £5 million in London Stock Exchange Reg Holdings Limited to fund acquisitions and investments.
3 On 31 December 2023, the Company contributed 100% of the shares of LSEG US HoldCo, Inc. with carrying value of £1,797 million to Refinitiv Parent Limited in exchange for Refinitiv Parent Limited issuing new ordinary shares to the Company for £2,098 million.
4 Following a dividend payment from London Stock Exchange Group Holdings (Italy) Limited and the consequent reduction in its net assets, the value of the Company's investment in the subsidiary has been reduced by £770 million to the recoverable amount that is based on the net asset value (as a proxy for fair value less costs of disposal) of £150 million. The fair value is classified as Level 3 of the fair value hierarchy.

A full list of the Group's subsidiaries as at 31 December 2023 is provided in note 10.1.

4. Trade and other receivables

Accounting policy

Amounts due from Group companies are initially measured at fair value and are subsequently reported at amortised cost less provision for expected credit losses. Allowances for expected credit losses are made based on the risk of non-payment, taking into account ageing, previous experience, economic conditions and forward-looking data.

The Company has a **tax indemnity receivable** from Thomson Reuters for any tax liabilities incurred before Refinitiv (previously the Thomson Reuters Financial & Risk Business) separated from Thomson Reuters on 1 October 2018. The tax indemnity receivable is measured on the same basis as the corresponding indemnified tax liabilities. When there is a change in the indemnified tax liabilities, which is recognised within tax in the income statement, there is an offsetting change in the tax indemnity receivable. This change is recognised within operating expenses in the income statement.

	2023 £m	2022 £m
Non-current		
Tax indemnity receivable	**47**	56
Amounts due from Group companies[1]	**96**	20
Total non-current other receivables	**143**	76
Current		
Amounts due from Group companies[2]	**1,330**	1,199
Group relief receivable	**142**	85
Other receivables	**6**	–
Prepayments	**11**	12
Total current trade and other receivables	**1,489**	1,296
Total receivables	**1,632**	1,372

1 Amounts falling due from Group companies after more than one year are unsecured, repayable on demand and interest free, however, there is no intention to seek repayment of these amounts before 31 December 2024.
2 Amounts falling due from Group companies within one year are unsecured, repayable on demand and are predominantly interest bearing.

5. Cash and cash equivalents

	2023 £m	2022 £m
Cash at bank	5	18
Cash equivalents	–	59
Total cash and cash equivalents	**5**	**77**

6. Trade and other payables

Accounting policy
Amounts due to group companies are initially recognised at fair value and are subsequently measured at amortised cost.

Accrued expenses are recognised for goods and services received before the end of the year for which no invoice has been received. They are measured at amortised cost.

The Company has a **tax indemnity payable** to Thomson Reuters with a matching tax receivable. The tax indemnity payable is measured on the same basis as the indemnified tax receivable. When there is a change in the indemnified tax receivable, which is recognised within tax in the income statement, there is an offsetting change in the tax indemnity payable. This change is recognised within operating expenses in the income statement.

	2023 £m	2022 £m
Non-current		
Tax indemnity payable	172	188
Total non-current other payables	**172**	**188**
Current		
Trade payables	6	6
Other payables	52	16
Share buyback obligation	–	200
Accrued expenses	15	23
Amounts due to group companies[1]	918	1,249
Total current trade and other payables	**991**	**1,494**
Total payables	**1,163**	**1,682**

1 Amounts due to Group companies are unsecured, repayable on demand and are predominantly interest bearing.

7. Borrowings

Accounting policy
Borrowings are initially recorded at the fair value of amounts received, net of capitalised direct issue costs and arrangement fees (including upfront facility fees).

Subsequently, these liabilities are carried at amortised cost. Interest payable on the borrowings, direct issue costs and arrangement fees (including upfront facility fees) are recognised in the income statement over the period of the borrowings using the effective interest method.

	2023 £m	2022 £m
Non-current		
Bank borrowings – committed bank facilities[1]	(8)	(5)
Bonds	1,358	1,820
Total non-current borrowings	**1,350**	**1,815**
Current		
Bonds	433	–
Total current borrowings	**433**	**–**
Total borrowings	**1,783**	**1,815**

1 Balances are shown net of capitalised arrangement fees. Where there are no amounts borrowed on a particular facility, this gives rise to a negative balance.

7. Borrowings continued

The Company has the following committed bank facilities and unsecured bonds:

	Maturity date	Facility/ bond £m	Carrying value 2023 £m	Carrying value 2022 £m	Interest rate %
Committed bank facilities					
Multi-currency revolving credit facility	Dec 2027	1,925	**(5)**	(2)	see note[2]
Multi-currency revolving credit facility	Dec 2027	1,075	**(3)**	(3)	see note[2]
Total committed bank facilities[1]		3,000	**(8)**	(5)	
Bonds					
€500 million bond, issued September 2017	Sep 2024	433	**433**	443	0.875
€500 million bond, issued December 2018	Dec 2027	433	**431**	441	1.750
€500 million bond, issued September 2017	Sep 2029	433	**432**	441	1.750
£500 million bond, issued April 2021	Apr 2030	500	**495**	495	1.625
Total bonds		1,799	**1,791**	1,820	
Total borrowings			**1,783**	1,815	

1 Negative balances represent the value of unamortised arrangement fees.
2 As part of the IBOR Reform, a Credit Adjustment Spread (CAS) has been applied where US dollar and sterling LIBOR rates were replaced with SOFR and SONIA rates respectively in the bank facilities. The CAS is variable and depends on the tenor and currency of the borrowings.

8. Share-based payments

Accounting policy
The Group operates a number of equity-settled share-based payment plans for the employees of its subsidiaries using the Company's equity instruments. The share-based payment is recharged to its subsidiaries by the Company with a corresponding increase in retained earnings within equity.
The expense is determined by the fair value (using a stochastic valuation model) of the options granted or shares awarded at the date of the grant. The calculated expenses are recognised over the relevant vesting periods.

Further details on the share plans are provided in the Directors' Remuneration Report on pages 117–153 and note 20 to the consolidated financial statements.

The Company has an Employee Benefit Trust (EBT) to administer the share plans and to acquire Company shares to meet the commitments to Group employees. At 31 December 2023, 1,178,957 Company shares were held by the trust (2022: 259,129). The EBT is fully funded by the Company via loans, cash gifts and the issue and transfer of shares.
The cost of the shares held by the EBT are recognised directly in equity.

9. Financial guarantees

The Company has guaranteed unsecured bonds issued by LSEGA Financing Plc and LSEG Netherlands B.V. which at 31 December 2023 amount to £6,056 million (2022: £5,040 million).

10. Group companies

10.1 Subsidiaries

A full list of the Company's subsidiaries as at 31 December 2023 is provided below.

Companies owned directly by the Company

Name, address and country of incorporation	Class of share held	Share ownership % Parent	Ultimate economic interest %
United Kingdom – England & Wales *10 Paternoster Square, London EC4M 7LS*			
London Stock Exchange (C) Limited	Ordinary £	100.00	100.00
	Ordinary €	100.00	
London Stock Exchange Group (Services) Limited	Ordinary	100.00	100.00
London Stock Exchange Group Holdings (Italy) Limited	Ordinary	100.00	100.00
London Stock Exchange Group Holdings (R) Limited	Ordinary	100.00	100.00
London Stock Exchange Group Holdings Limited	Ordinary	100.00	100.00
London Stock Exchange plc	Ordinary	100.00	100.00
London Stock Exchange Reg Holdings Limited	Ordinary	100.00	100.00
LSEGA Financing plc	Ordinary	100.00	100.00
LSEGA Limited	Ordinary	100.00	100.00
LSEGA2 Limited	Ordinary	100.00	100.00
LSEGH (Luxembourg) Limited	Ordinary	100.00	100.00
Cayman Islands *C/o Intertrust Corporate Services (Cayman) Ltd, 1 Nexus Way, Camana Bay, Grand Cayman, KY1-9005*			
Refinitiv Parent Limited	Ordinary[1]	70.45	100.00
Netherlands *10th Floor, Eduard van Beinumstraat 24, Amsterdam 1077 CZ*			
LSEG Netherlands B.V.	Ordinary	100.00	100.00
United States *C/o United Agent Group Inc, Suite 201, Brandywine Plaza, 1521 Concord Pike, Wilmington DE 19803*			
LSEGH US PT, Inc.	Common Stock	100.00	100.00

Companies owned indirectly by the Company

Name, address and country of incorporation	Class of share held	Share ownership % Parent	Ultimate economic interest %
Australia *Level 10, 60 Margaret Street, Sydney, NSW 2000*			
EnergybankLink Pty Limited	Ordinary	100.00	100.00
Global Data Consortium Australia Pty Limited	Ordinary	100.00	100.00
Lipper Australia Pty Limited	Ordinary	100.00	100.00
Refinitiv Australia Pty Limited	Ordinary	100.00	100.00
Telfer Investments Australia Pty Limited	Ordinary	100.00	100.00
	Special	100.00	
Telfer Pty Limited	Ordinary	100.00	100.00
	Special	100.00	
Tora Trading Services Pty Limited	Ordinary	100.00	100.00
C/o Pilot Partners, Level 10, Waterfront Place, 1 Eagle Street, Brisbane, QLD 4000			
The Red Flag Group (Australia) Pty Limited	Ordinary	100.00	100.00
Level 6, 14 Martin Place, Sydney, NSW 2000			
Tradeweb Australia Pty Ltd (formerly Yieldbroker Pty Ltd)	Ordinary A	100.00	51.01
	Ordinary B	100.00	
21 Dorset Road, Northbridge, NSW 2063			
TWAS Holding I Pty Limited	Ordinary	100.00	51.01
TWAS Holding II Pty Limited	Ordinary	100.00	51.01
Austria *The ICON Vienna, Wiedner Gürtel 13, A/12.OG/1123, 1100 Vienna*			
Refinitiv Austria GmbH	Ordinary	100.00	100.00
Bahrain *Flat 1002, Building 1459, Road 4626, Block 346, Manama*			
R.M.E. Bahrain Limited W.L.L.	Ordinary	100.00	100.00
Bermuda *C/o Conyers Corporate Services (Bermuda) Ltd, Clarendon House, 2 Church Street, Hamilton, HM 11*			
Refinitiv (Canvas) Holdings 1 Limited	Common	100.00	100.00
Refinitiv (Canvas) Holdings 2 Limited	Common	100.00	100.00
Refinitiv (Canvas) Holdings 3 Limited	Common	100.00	100.00
Refinitiv UK Holding Company Limited	Ordinary	100.00	100.00

10. Group companies continued

Name, address and country of incorporation	Class of share held	Share ownership % Parent	Ultimate economic interest %
Brazil *Avenida Doutor Cardoso de Melo 1855, Vila Olimpia, Sao Paulo 04548-005*			
Refinitiv Brasil Servicos Economicos Limitada	Ordinary	100.00	100.00
Refinitiv Tecnologia em Sistemas Brasil Limitada	Ordinary	100.00	100.00
British Virgin Islands *C/o Harkom Corporate services, Jayla Place, Wickhams Cay I, 2nd Floor, Road Town, Tortola, VG1110*			
The Red Flag Group (BVI) Limited	Ordinary	100.00	100.00
Canada *C/o Miller Thompson LLP, Suite 5800, 40 King Street West, Toronto, ON M5H 3S1*			
FTSE Global Debt Capital Markets, Inc	Ordinary	100.00	100.00
Suite 2400, 333 Bay Street, Toronto, ON M5H 2T6			
Millennium IT Software (Canada) Inc	Common	100.00	100.00
Suite 400, 333 Bay Street, Toronto, ON M5H 2R2			
Refinitiv Canada Holdings Limited	Common	100.00	100.00
Cayman Islands *C/o Intertrust Corporate Services (Cayman) Ltd, 1 Nexus Way, Camana Bay, Grand Cayman, KY1-9005*			
Caspian Holdings Limited	Ordinary	100.00	100.00
Refinitiv TW Holdings Limited	Ordinary	100.00	100.00
Tora Trading Services Limited	Ordinary	100.00	100.00
TWC Limited	Ordinary	100.00	51.01
Zawya Limited	Common	100.00	100.00
China *Room 02D-H, 6/F Dong Wai Diplomatic Building, 23 Dong Zhi Men Wai Da Jie, Beijing 100600*			
FTSE (Beijing) Consulting Limited	Ordinary	100.00	100.00
21-016, Pearl River Tower, 15 Zhujiang West Road, Guangzhou 510623			
Guangzhou Data Development Services Limited	Contribution Unit	100.00	100.00
Room 1811, The Towers Offices at Oriental Plaza, 1 East Chang'an Avenue, Beijing 100006			
Refinitiv Financial Technology Information Service (China) Group Co. Limited	Contribution Unit	100.00	100.00
Unit 3006, Azia Centre, 1233 Lujiazui Huang Road, Shanghai 200120			
Refinitiv Information Services (China) Co. Limited	Contribution Unit	100.00	100.00
A2 Tower, ZhongGuanCun #1, 81 BeiQing Road, Haidian District, Beijing 100193			
Refinitiv Technology (China) Co. Limited	Contribution Unit	100.00	100.00
3F Agile International Plaza, 525 Middle Xizang Road, Huangpu District, Shanghai			
The Red Flag Group (Shanghai) Limited	Ordinary	100.00	100.00
Floors 3 & 4, No. 1 Lane, 65 Huanlong Road, Shanghai Free Trade Zone, Shanghai 200120			
TradeWeb Information Technology (Shanghai) Co. Ltd.	Contribution Unit	100.00	51.01
Room 312-04, New Times Plaza, 1 Taizi Road, Shenzhen, Guangdong 518067			
Zhi Cheng Worldwide Management Consulting (Shenzhen) Co. Limited	Ordinary	100.00	100.00
Cook Islands *C/o Cook Islands Trust Corporation, 1st Floor, BCI House, PO Box 141, Avaura, Rarotonga*			
Alta Limited	Ordinary	100.00	100.00
Data Development Services Limited	Ordinary	100.00	100.00
Lipper Asia Limited	Ordinary	100.00	100.00
Monitor Services Hong Kong Limited	Ordinary	100.00	100.00
Costa Rica *San Jose-Santa Ana radial a San Antionio de Belen, Doscientos metros norte de la Cruz Roja de Santa Ana, Edificio Murano, Piso Uno, Oficina 13*			
Refinitiv Costa Rica Srl	Ordinary	100.00	100.00
Cyprus *Neas Egkomis 33, 1st floor, Flat/Office 208, Egkomi, Nicosia 2409*			
Refinitiv Cyprus Limited	Ordinary	100.00	100.00
Czechia *Na Perstyne 342/1, Staré Mesto, 110 00 Praha 1*			
Refinitiv Czech Republic s.r.o.	Ordinary	100.00	100.00
Denmark *Vesterbrogade 1E, 4.Sal, DK-1620, Copenhagen V*			
Refinitiv Denmark A/S	Ordinary	100.00	100.00
Finland *Spaces Postitalo, Mannerheiminaukio 1A, Helsinki 00100*			
Refinitiv Finland OY AB	Ordinary	100.00	100.00
France *La Centorial, 16-18 rue du Quatre-Septembre, 75002 Paris*			
Banque Centrale de Compensation (LCH SA)	Ordinary	100.00	82.61
Beyond Ratings	Ordinary	100.00	100.00
Refinitiv France Holdings SARL	Ordinary	100.00	100.00
Refinitiv France SAS	Ordinary	100.00	100.00
20 Avenue Andre Malraux, 92300 Levallois-Perret			
The Red Flag Group (France) SAS	Ordinary	100.00	100.00

10. Group companies continued

Name, address and country of incorporation	Class of share held	Share ownership % Parent	Ultimate economic interest %
Germany *Maurenbrecher Strasse 16, 47803 Krefeld*			
Quaternion Risk Management Deutschland GmbH	Ordinary	100.00	100.00
Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main			
Refinitiv Germany GmbH	Ordinary	100.00	100.00
Refinitiv Germany Holdings GmbH	Ordinary	100.00	100.00
Greece *53 Solonos Street, 10672 Athens*			
Refinitiv Hellas Single Member SA	Ordinary	100.00	100.00
Guernsey *C/o Alternative Risk Management Ltd, Level 5, Mill Court, La Charroterie, St. Peter Port GY1 1EJ*			
Refinitiv Europe Middle East and Africa (Central Region) Limited	Ordinary	100.00	100.00
Hong Kong SAR *18/F ICBC Tower, 3 Garden Road, Central*			
FTSE China Index Limited	Ordinary	100.00	100.00
FTSE International (Hong Kong) Limited	Ordinary	100.00	100.00
IntegraScreen Limited	Ordinary	100.00	100.00
LSEG HK Financing Limited	Ordinary	100.00	100.00
The Red Flag Group (HK) Limited	Ordinary	100.00	100.00
The Red Flag Group Limited	Ordinary	100.00	100.00
The Red Flag Group Products (HK) Limited	Ordinary	100.00	100.00
C/o Mauve Limited, 20th Floor, The Wellington, 198 Wellington St, Central			
Tora Trading Services (Asia) Limited	Ordinary	100.00	100.00
Tora Trading Services Limited	Ordinary	100.00	100.00
Hungary *Szervita tér 8, Budapest 1052*			
Refinitiv Hungary Kft.	Ordinary	100.00	100.00
India *One World Center, 12th Floor, Tower 1, 841 Senapati Bapat Marg, Mumbai 400013*			
Millennium Information Technologies (India) (Private) Limited	Ordinary	100.00	100.00
Refinitiv Global Private Limited	Ordinary	100.00	100.00
Refinitiv India Private Limited	Ordinary	100.00	100.00
Refinitiv India Shared Services Private Limited	Ordinary	100.00	100.00
Refinitiv India Transaction Services Private Limited	Ordinary	100.00	100.00
Indonesia *Menara Astra, #37-118, Jl. Jendral Sudirman Kav 5-6, Jakarta Pusat, Jakarta 10220*			
PT Refinitiv Services Indonesia	Ordinary Bearer	100.00	100.00
PT LSEG Transaction Services Indonesia	Class A	100.00	100.00[4]
	Class B	–	
Ireland *12/13 Exchange Place, IFSC, Dublin, D01 P8H1*			
Financial & Risk Transaction Services Ireland Limited	Ordinary	100.00	100.00
Refinitiv Ireland Limited	Ordinary	100.00	100.00
10 Earlsfort Terrace, Dublin, DO2 T380			
LSEG Ireland Limited	Ordinary	100.00	100.00
1 Stokes Place, St Stephen's Green, Dublin, DO2 DE03			
LSEG Ireland 2 Limited	Ordinary	100.00	100.00
LSEG Ireland 3 Limited	Ordinary	100.00	100.00
54 Fitzwilliam Square, Dublin 2, DO2 X308			
Quaternion Risk Management Ltd	Ordinary	100.00	100.00
Israel *121-123 Derech Menachem Begin, Azrieli Sarona Building, 30 Fl, Tel Aviv 6701203*			
Refinitiv Israel Limited	Ordinary	100.00	100.00
Italy *Piazza Generale Armando Diaz 2, Milan 20123*			
FTSE Italy S.p.a.	Ordinary	100.00	100.00
Refinitiv Italy Holding S.p.a.	Ordinary	100.00	100.00
Refinitiv Italy S.p.a.	Ordinary	100.00	100.00
Japan *Level 11 Aoyama Palacio Tower, 3-6-7 Kita-Aoyama, Minato-ku, Tokyo 107-0061*			
AcadiaSoft Japan GK	Ordinary	100.00	100.00
1-2-1, Otemachi First Square East Tower 11F, Otemachi, Chiyoda-ku, Tokyo, 100-0004			
Mergent Japan KK	Ordinary	100.00	100.00
30/F Akasaka Biz Tower, 5-3-1 Akasaka, Minato-Ku, Tokyo 107-6330			
Refinitiv Japan KK	Ordinary	100.00	100.00
Tora Trading Services KK	Ordinary	100.00	100.00
Tradeweb Japan KK	Ordinary	100.00	51.01
Jersey *C/o Crestbridge Jersey, 47 Esplanade, St Helier JE1 0BD*			
LSEGA Jersey Limited	Ordinary	100.00	100.00
Refinitiv Hong Kong Limited	Ordinary	100.00	100.00
De Carteret House, 7 Castle St, St. Helier JE2 3BT			
Tora Trading Services (Jersey) Limited	Ordinary	100.00	100.00
Korea *9F S Tower, 82 Saemunan-ro, Jongno-gu, Seoul 03185*			
Refinitiv Korea Limited	Common – Voting	100.00	100.00

10. Group companies continued

Name, address and country of incorporation	Class of share held	Share ownership % Parent	Ultimate economic interest %
Luxembourg			
C/o Crestbridge Luxembourg, 1 Boulevard de la Foire, Luxembourg L-1528			
globeSettle S.à r.l.	Ordinary	100.00	100.00
LSEG LuxCo 1 S.à r.l.	Ordinary	100.00	100.00
LSEG LuxCo 2 S.à r.l.	Ordinary	100.00	100.00
Malaysia			
Suite 13.03, 13th floor, Menara Tan & Tan, 207 Jalan Tun Razak, Kuala Lumpur 50400			
IntegraScreen (Malaysia) Sdn Bhd	Ordinary	100.00	100.00
LSEG Malaysia Sdn Bhd	Ordinary	100.00	100.00
Refinitiv Malaysia Sdn Bhd	Ordinary	100.00	100.00
Refinitiv Transaction Services Malaysia Sdn Bhd	Ordinary	100.00	100.00
The Red Flag Group (Malaysia) Sdn Bhd	Ordinary	100.00	100.00
Mauritius			
C/o Ocorian Corporate Administrators Ltd, 6th Floor Tower A, Ebene, Cyber City, Mauritius 72201			
Reuters Asia Pacific Limited	Ordinary	100.00	100.00
Mexico			
Torre 3, Privada Paseo de los Tamarindos 120, Bosques de las Lomas, Mexico City 05120			
FTSE Mexico S de R.L. de C.V.	Ordinary	100.00	100.00
Torre Esmeralda II, Blvd. Manuel Avila Camacho 36, Piso 19, Lomas de Chapultepec, Mexico City 11000			
Refinitiv de Mexico, S.A. de C.V.	Common	100.00	100.00
Netherlands			
Zuidas 2, Barbara Strozzilaan 201, Amsterdam 1083 HN			
Global Data Consortium Netherlands B.V.	Ordinary	100.00	100.00
10th Floor, Eduard van Beinumstraat 24, Amsterdam 1077 CZ			
LSEG Regulatory Reporting B.V. (formerly UnaVista TRADEcho B.V.)	Ordinary	100.00	100.00
Refinitiv Netherlands B.V.	Ordinary	100.00	100.00
Refinitiv Netherlands Finance B.V.	Ordinary	100.00	100.00
Refinitiv Netherlands Holdings B.V.	Ordinary	100.00	100.00
Refinitiv Netherlands Overseas Holdings B.V.	Ordinary	100.00	100.00
Turquoise Global Holdings Europe B.V.	Ordinary	100.00	100.00
Antonio Vivaldistraat 50, Amsterdam 1083 HP			
Tradeweb EU B.V.	Ordinary	100.00	51.01
Strawinskylaan 4117, Amsterdam, 1077 ZX			
Quantile B.V.	Ordinary	100.00	100.00
	Preference	100.00	
Tradeweb Execution Services B.V.	Ordinary	100.00	51.01

Name, address and country of incorporation	Class of share held	Share ownership % Parent	Ultimate economic interest %
New Zealand			
C/o Business Advisory Group Limited, Level 9, 55 Shortland Street, Auckland 1010			
Refinitiv New Zealand Limited	Ordinary	100.00	100.00
Norway			
Dronning Eufemias gate 16, 0191 Oslo			
Refinitiv Norge AS	Ordinary	100.00	100.00
Panama			
Marbella Office Plaza, 10th Floor, Banistmo Tower, Office 1027, Aquilino de la Guardia Street, Panama City			
IntegraScreen (Panama), Inc.	Ordinary	100.00	100.00
The Red Flag Group International (Panama) S.A.	Ordinary	100.00	100.00
Peru			
102 Real 2, Avenida Victor Andrés Belaúnde 147, Lima 15073			
Refinitiv Peru Srl	Ordinary	100.00	100.00
Philippines			
Unit 1801, The Peak Tower, 107 L.P. Leviste Street, Salcedo Village, Brgy Bel-Air, Makati City 1227, Metro Manila			
AcadiaSoft Philippines Inc.	Ordinary	100.00	100.00
Unit 7-2, Net Square, 3rd Avenue Corner 28th Street, E-Square, Crescent Park West, Bonifacio Global City, Taguig City 1634, Metro Manila			
The Red Flag Group (Philippines) Inc.	Ordinary	100.00	100.00
Poland			
Ul. Opolska 22, 40-084 Katowice			
IntegraScreen Sp. z o.o.	Ordinary	100.00	100.00
Ul. Marszalkowska 126/134, 00-008 Warsaw			
Refinitiv Poland Sp. z o.o.	Ordinary	100.00	100.00
Ul. Kotlarska 11, 31-539 Krakow			
The Red Flag Group (Poland) Sp. z o.o.	Ordinary	100.00	100.00
Portugal			
Rua Mouzinho da Silveira 10, Lisboa, 1250-167			
Refinitiv Portugal Unipessoal Limitada	Ordinary	100.00	100.00
Romania			
6L Iuliu Maniu Boulevard, Campus 6.1, 4th Floor, District 6, Bucharest 061344			
LSEG Business Services RM S.R.L.	Ordinary	100.00	100.00
Refinitiv Romania S.R.L.	Ordinary	100.00	100.00
Strada Nicolae Iorga 1, Cluj-Napoca 400063			
Tora Trading Services S.R.L.	Ordinary	100.00	100.00
Russian Federation			
5 Petrovka Street, Berlin House, Business Centre, Moscow 107031			

10. Group companies continued

Name, address and country of incorporation	Class of share held	Share ownership % Parent	Ultimate economic interest %
Refinitiv RUS LLC	Ordinary	100.00	100.00
Saudi Arabia *Al Thalatten Commercial Centre, 2nd Floor, Olaya Thalateen, Corner Dhabab Street, PO Box 62422, Riyadh 11585*			
Refinitiv Saudi for Information and Communication Technology	Ordinary	75.00	100.00[5]
Singapore *1 Raffles Quay, #28-01, Singapore 048583*			
Global Data Consortium Singapore Pte Ltd	Ordinary	100.00	100.00
Infosight Singapore Pte Ltd	Ordinary	100.00	100.00
Refinitiv Asia Pte Ltd	Ordinary	100.00	100.00
Refinitiv Transaction Services Pte Ltd	Ordinary	100.00	100.00
The Red Flag Group Pte Ltd	Ordinary	100.00	100.00
9 Raffles Place, #26-01, Republic Plaza, Singapore 048619			
Tora Trading Services Pte Ltd	Ordinary	100.00	100.00
Spain *Paseo de la Castellana 95, 7a, Edificio Torre Europa, Madrid 28046*			
Refinitiv SL	Ordinary	100.00	100.00
Sri Lanka *Exchange House, Trace Expert City, Maradana, Colombo 10*			
LSEG Business Services Colombo (Private) Limited	Ordinary	100.00	100.00
65/2, Sir Chittampalam A Gardiner Mawatha, Colombo 02			
Millennium IT Services (Private) Limited	Ordinary	100.00	100.00
1 Millennium Drive, Malabe, Colombo 10115			
Millennium IT Software (Private) Limited	Ordinary	100.00	100.00
Sweden *PO Box 1732, SE-111 87 Stockholm*			
Refinitiv Sweden AB	Ordinary	100.00	100.00
Switzerland *Rue de Lausanne 17, 1201 Genève*			
Refinitiv International Holdings SARL	Ordinary	100.00	100.00
Refinitiv SA	Ordinary	100.00	100.00
Baarerstrasse 112, 6300 Zug			
The Red Flag Group (Switzerland) AG	Ordinary	100.00	100.00
Taiwan, China *26F, 100 Song Ren Road, Xinyi District, Taipei City 110*			
FTSE International Taiwan Limited	Ordinary	100.00	100.00
Thailand *U Chu Liang Building, 34th Floor, 968 Rama IV Road, Silom, Bangrak, Bangkok 10500*			
Refinitiv (Thailand) Limited	A Ordinary	100.00	100.00[4]
	B Preference	100.00	

Name, address and country of incorporation	Class of share held	Share ownership % Parent	Ultimate economic interest %
Refinitiv Holdings (Thailand) Limited	Preference	–	100.00[4]
	Ordinary	100.00	
Refinitiv Software (Thailand) Limited	Ordinary	100.00	100.00[4]
Turkey *Is Kuleleri, Kule 2, Kat 1-2, 4. Levent, Istanbul 34330*			
Refinitiv Enformasyon Limited Sirketi	Ordinary	100.00	100.00
United Arab Emirates *Office 15501, Level 15, The Gate Building, Dubai International Finance Centre, PO Box 121208, Dubai*			
FTSE International (MEA) Limited	Ordinary	100.00	100.00
Premises 501, 5th Floor, Thomson Reuters Building, Dubai Media City, PO Box 1426, Dubai			
Refinitiv Middle East FZ-LLC	Ordinary	100.00	100.00
Office 104, Building 3, PO Box 500 630, Dubai Internet City, Dubai			
The Red Flag Group FZ-LLC	Ordinary	100.00	100.00
Unit GD-GB-00-15-BC-52-0 Level 15, Gate District Gate Building, Dubai International Financial Centre, Dubai			
Tradeweb (DIFC) Limited	Ordinary	100.00	51.01
P.O. Box 41640, Green Tower, District-Deira, Dubai			
Zawya Internet Content Provider LLC	Ordinary	49.00	100.00[4]
United Kingdom – England & Wales *1 Fore Street Avenue, London EC2Y 9DT*			
Tradeweb Europe Limited	Ordinary	100.00	51.01
Tradeweb Execution Services Limited	Ordinary	100.00	51.01
Suite 1, 7th Floor, 50 Broadway, London SW1H 0BL			
AcadiaSoft (UK) Ltd	Ordinary	100.00	100.00
10 Paternoster Square, London EC4M 7LS			
Avox Limited	Ordinary	100.00	100.00
Blaxmill (Eleven) Limited	Ordinary	100.00	100.00
Blaxmill (Nine) Limited	Ordinary	100.00	100.00
Blaxmill (Ten) Limited	Ordinary	100.00	100.00
Blaxmill (Thirteen) Limited	Ordinary	100.00	100.00
Blaxmill (Thirty-Three) Limited	Ordinary	100.00	100.00
Blaxmill (Twelve) Limited	Ordinary	100.00	100.00
Blaxmill (Twenty-Eight) Limited	Ordinary	100.00	100.00
BondClear Limited	Ordinary	100.00	82.61
CommodityClear Limited	Ordinary	100.00	82.61
Criminal Law Week Limited	Ordinary	100.00	100.00
Enterprise Risk Management Technology Limited	Ordinary	100.00	100.00
EquityClear Limited	Ordinary	100.00	82.61
ForexClear Limited	Ordinary	100.00	82.61
FTSE (Australia) Limited	Ordinary	100.00	100.00

10. Group companies continued

Name, address and country of incorporation	Class of share held	Share ownership % Parent	Ultimate economic interest %
FTSE (Japan) Limited	Ordinary	100.00	100.00
FTSE Fixed Income Europe Limited	Ordinary	100.00	100.00
FTSE Global Debt Capital Markets Limited	Ordinary	100.00	100.00
FTSE International Limited	Ordinary	100.00	100.00
International Commodities Clearing House Limited	Ordinary	100.00	82.61
LCH Group Holdings Limited	Ordinary	82.61	82.61
LCH Limited	Ordinary	100.00	82.61
LCH.Clearnet Group Limited	Ordinary	100.00	82.61
London Stock Exchange Connectivity Solutions LP	Partnership interest[6]	–	100.00
London Stock Exchange LEI Limited	Ordinary	100.00	100.00
LSEG (ELT) Limited	Ordinary	100.00	100.00
LSEG (F) Limited	Ordinary	100.00	100.00
LSEG (M) Financing Limited	Ordinary	100.00	100.00
LSEG Business Services Limited	Ordinary	100.00	100.00
LSEG Employment Services Limited	Ordinary	100.00	100.00
LSEG F1 Limited	Ordinary[3]	100.00	100.00
LSEG F2 Limited	Ordinary	100.00	100.00
LSEG F3 Limited	Ordinary	100.00	100.00
LSEG Foundation (charitable incorporated organisation)	–	–	–
LSEG Pension Trustees Limited	Ordinary	100.00	100.00
LSEG Post Trade Services Limited	Ordinary	100.00	100.00
LSEG Regulatory Reporting Limited (formerly UnaVista Limited)	Ordinary	100.00	100.00
LSEG Technology Limited	Ordinary	100.00	100.00
LUH Financing Limited	Limited by guarantee[6]	–	100.00
Monitor Trading Limited	Ordinary	100.00	100.00
Refinitiv Group Nominees Limited	Limited by guarantee[6]	–	100.00
Refinitiv UK Financial Limited	Ordinary	100.00	100.00
RepoClear Limited	Ordinary	100.00	82.61
SSC Global Business Services Limited	Ordinary	100.00	100.00
SwapAgent Limited	Ordinary	100.00	82.61
SwapClear Limited	Ordinary	100.00	82.61
The London Clearing House Limited	Ordinary	100.00	82.61
The London Produce Clearing House Limited	Ordinary	100.00	82.61
The Stock Exchange (Holdings) Limited	Ordinary	100.00	100.00
TicketAid Limited	Ordinary	100.00	100.00
Tora Trading Services Limited	Ordinary	100.00	100.00
Turquoise Global Holdings Limited	Ordinary A	100.00	84.17
	Ordinary B	67.46	
UK LSEG Financing 1 Limited	Ordinary	100.00	100.00
UK LSEG Financing Limited	Ordinary	100.00	100.00

Name, address and country of incorporation	Class of share held	Share ownership % Parent	Ultimate economic interest %
Five Canada Square, Canary Wharf, London E14 5AQ			
Financial & Risk Organisation Limited	Ordinary	100.00	100.00
Global World-Check	Ordinary	100.00	100.00
Global World-Check Holdings (Nominee) Limited	Ordinary	100.00	100.00
Global World-Check Holdings Limited	Ordinary	100.00	100.00
Lipper Limited	Ordinary	100.00	100.00
REDI Technologies Limited	Ordinary	100.00	100.00
Refinitiv Benchmark Services (UK) Limited	Ordinary	100.00	100.00
Refinitiv Limited	Ordinary	100.00	100.00
Refinitiv Transaction Services Limited	Ordinary	100.00	100.00
Refinitiv UK (Rest Of World) Holdings Limited	Ordinary	100.00	100.00
Refinitiv UK Eastern Europe Limited	Ordinary	100.00	100.00
Refinitiv UK Holdings Limited	Ordinary	100.00	100.00
Refinitiv UK Overseas Holdings Limited	Ordinary	100.00	100.00
Refinitiv UK Parent Limited	Ordinary	100.00	100.00
Reuters Pension Fund Limited	Limited by guarantee[7]	–	100.00
Reuters SPS Trustee Limited	Limited by guarantee[7]	–	100.00
RRP Pension Trustee Limited	Limited by guarantee[7]	–	100.00
The Red Flag Group (UK) Limited*	Ordinary	100.00	100.00
World Bureau of Metal Statistics Limited*	Ordinary	100.00	100.00
Cannon Green Building, 27 Bush Lane, London, EC4R 0AN			
Quantile Group Limited	Ordinary	100.00	100.00
Quantile Technologies Limited	Ordinary	100.00	100.00
United Kingdom – Scotland *Exchange Tower, 19 Canning Street, Edinburgh EH3 8EG*			
Lilac Energy Software Solutions Limited	Ordinary	100.00	100.00
Quorate Technology Limited	Ordinary	100.00	100.00
United States *C/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808*			
BondDesk Group LLC	Membership Interest	100.00	51.01
DW SEF LLC	Membership Interest	100.00	51.01
Quaternion Risk Management US Inc.	Ordinary	100.00	100.00
Refinitiv US Tradeweb LLC	Ordinary[2]	100.00	45.72
Tech Hackers LLC	Membership Interest	100.00	51.01
Tradeweb Direct LLC	Contribution Unit	100.00	51.01
Tradeweb Global Holding LLC	Ordinary	100.00	51.01

10. Group companies continued

Name, address and country of incorporation	Class of share held	Share ownership % Parent	Ultimate economic interest %
Tradeweb Global LLC	Ordinary	100.00	51.01
Tradeweb IDB Markets, Inc.	Ordinary	100.00	51.01
Tradeweb LLC	Common	100.00	51.01
Tradeweb Markets Inc.	Class A[2]	–	45.72
	Class B[2]	100.00	
	Class C[2]	100.00	
	Class D[2]	98.23	
Tradeweb Markets LLC	Membership Interest	100.00	51.01
TW SEF LLC	Limited Liability Company Interest	100.00	51.01
TWEL Holding LLC	Limited Liability Company Interest	100.00	51.01
C/o Corporation Service Company, 80 State Street, Albany, NY 12207			
Dealerweb Inc.	Common	100.00	51.01
C/o United Agent Group Inc, Suite 201, Brandywine Plaza, 1521 Concord Pike, Wilmington DE 19803			
EPIC Acquisition Sub LLC	Membership Interest	100.00	100.00
FTSE Fixed Income LLC	Membership Interest	100.00	100.00
FX Alliance International, LLC	Common	100.00	100.00
FX Alliance, LLC	Common	100.00	100.00
Giact Systems, LLC	Membership Interest	100.00	100.00
IAG US LLC	Member Shares	100.00	100.00
Intrinsic Research Systems, Inc.	Common	100.00	100.00
LCH.Clearnet LLC	Ordinary	100.00	82.61
LSEG Information Services (US) Inc.	Ordinary	100.00	100.00
LSEG Financing Corporation	Ordinary	100.00	100.00
LSEG Financing LLC	Membership Units	100.00	100.00
LSEG US Fin Corp	Ordinary	100.00	100.00
LSEG US Holdco, Inc.	Common	100.00	100.00
LSEGA, Inc.	Common Stock	100.00	100.00
LSEGH (I) LLC	Ordinary	100.00	100.00
LSEGH Inc.	Common	100.00	100.00
Maystreet Inc.	Common Stock	100.00	100.00
Mergent, Inc.	Ordinary	100.00	100.00
Millennium IT (USA) Inc.	Common	100.00	100.00
Refinitiv Global Markets Inc.	Common	100.00	100.00

Name, address and country of incorporation	Class of share held	Share ownership % Parent	Ultimate economic interest %
Refinitiv US IP Corp	Ordinary	100.00	100.00
Refinitiv US LLC	Member Interest	100.00	100.00
Refinitiv US Organization LLC	Member Interest	100.00	100.00
Refinitiv US Personal Focus Inc.	Ordinary	100.00	100.00
Refinitiv US PME LLC	Class A	100.00	100.00
	Class B	100.00	
Refinitiv US SEF LLC	Ordinary	100.00	100.00
Refinitiv US Services Corp	Ordinary	100.00	100.00
The Red Flag Group Inc.	Ordinary	100.00	100.00
The Yield Book, Inc.	Common	100.00	100.00
Tora Holdings, Inc.	Common	100.00	100.00
Tora Trading Investments LLC	Common	100.00	100.00
Tora Trading Services LLC	Common	100.00	100.00
Turquoise Global Holdings US, Inc.	Common	100.00	84.17
Yield Book Tangible Property BRE LLC	Member Interest	100.00	100.00
Yield Book Software BRE LLC	Member Interest	100.00	100.00
C/o Corporation Service Company, 1821 Logan Avenue, Cheyenne, WY 82001			
TIPS LLC	Member Interest	100.00	51.01
C/o Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801			
AcadiaSoft Inc.	Common stock	100.00	100.00
C/o United Agent Group Inc, 15720 Brixham Hill Avenue #300, Charlotte, NC 28277			
Global Data Consortium, Inc.	Common	100.00	100.00
C/o United Agent Group Inc, 155 E. Boardwalk #490, Fort Collins, CO 80525			
Lipper Inc.	Ordinary	100.00	100.00
C/o United Agent Group Inc, 707 W. Main Avenue #B1, Spokane, WA 99201			
Frank Russell Company	Common	100.00	100.00
C/o United Agent Group Inc, 600 Mamaroneck Avenue #400, Harrison, NY 10528			
FTSE Americas, Inc.	Ordinary	100.00	100.00
REDI Global Technologies LLC	Member Interest	100.00	100.00

* In liquidation.
1 29.55% is held by the Company indirectly.
2 The Group's voting interest in Tradeweb Markets Inc. is 89.94%.
3 0.53% directly held by the Company.
4 The Group's equity interest is 49.00%, but the ultimate economic interest is 100.00%.
5 The Group's equity interest is 75.00%, but the ultimate economic interest is 100.00%.
6 The Group's voting and economic interest is 100%.
7 The Group has control through its right to appoint a majority of directors.

10. Group companies continued

10.2 Associates

As at 31 December 2023, the Company does not directly own any associates.

The Group's associate undertakings are:

Name, address and country of incorporation	Identity of each class of share held	Share ownership % held by the investing company	Ultimate economic interest %
Australia Level 10, 60 Margaret Street, Sydney, NSW2000			
ASX Refinitiv Charity Foundation Ltd	Charitable incorporated organisation	50.00	50.00
British Virgin Islands OMC Chambers, Wickhams Cay 1, Road Town, Tortola			
LabCi Holding Inc	Ordinary	47.62	47.62
United Kingdom – England & Wales 3 Spring Mews, London SE11 5AN			
Citywire Holdings Limited	Ordinary	16.40	16.40[1]
107 Cheapside, London EC2V 6DN			
Fomtech Limited	Ordinary	28.84	28.84

1 The Group has significant influence over Citywire Holdings Limited due to its right to appoint at least one of the company's directors.

All associates have the same year end as the Group, except Fomtech Limited which has a 31 August year end.

Glossary

Alternative Performance Measures

An Alternative Performance Measure (APM) is a financial measure of historical or future financial performance, financial position, or cashflows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs should be considered in addition to, and not as a substitute for, IFRS measures of financial performance and liquidity. The Group's APMs are defined below.

Non-underlying items
The Group classifies income or expenses as non-underlying when it does not arise in the normal course of business and it is material by amount or nature... This can include: amortisation and impairment of goodwill and purchased intangible assets; incremental amortisation and impairment of any fair value adjustments of intangible assets recognised as a result of acquisitions; and tax on non-underlying items, as well as any other income or expenses not considered to drive the operating results of the Group. More information can be found in note 2.3 to the consolidated financial statements on page 181.

'Adjusted' measures
We use 'adjusted' measures including adjusted EBITDA to assess the profitability and performance of our business.

The 'adjusted' measures reported by the Group are:
— Adjusted operating expenses before depreciation, amortisation and impairment
— Adjusted EBITDA1
— Adjusted depreciation, amortisation and impairment
— Adjusted operating profit
— Adjusted net finance costs
— Adjusted profit before tax
— Adjusted profit for the year[1]
— Adjusted earnings per share (EPS)[2,3]

These are not measures of performance under IFRS but provide supplemental data that help convey an understanding of the Group's financial performance and exclude non-underlying items per the above definition above. For more information on our adjusted measures, refer to note 2 to the financial statements on page 180.

1 Adjusted profit for the year is used to calculate adjusted EPS and is reconciled to profit before taxation in note 7 to the financial statements on page 194 and on the face of the income statement.
2 Adjusted profit for the year is used to calculate adjusted EPS and adjusted diluted EPS and is reconciled to profit before taxation in note 7 to the consolidated financial statements on page 194 and on the face of the consolidated income statement on page 171.
3 While basic EPS reflects all Group activities, diluted EPS takes into account the dilutive effect that would arise on conversion or vesting of all outstanding share options and share awards under the Group's share option and award schemes.

Constant currency growth
We serve customers in over 170 different countries and a significant proportion of our income is generated in currencies other than our reporting currency, sterling. Movements in exchange rates can therefore have a significant impact on our reported financial growth rates and so it can be helpful for us remove this volatility when assessing business performance. We calculate constant currency growth rates – for P&L items down to and including the operating profit line – on the basis of consistent FX rates applied across the current and prior year period.

Organic (constant currency) growth
In the last two years, we have completed five material acquisitions and one disposal. We measure organic growth rates in order to compare business performance to prior periods independent of this activity. Organic growth is calculated on a constant currency basis, adjusting the results to remove disposals from the entirety of the current and prior year periods, and by including acquisitions from the date of acquisition with a comparable adjustment to the prior year.

(Equity) free cash flow
We use equity free cash flow to determine residual cash inflow or outflow, after operational usages of cash such as interest payments, taxes paid, dividends paid to minority interests and capital expenditure. Equity free cash flow represents the cash that we have available to distribute to shareholders via dividends and buybacks, and for other uses such as M&A activity. Unless specified otherwise, references to "free cash flow" in the Annual Report should be taken to mean equity free cash flow. For a reconciliation from equity free cash flow to reported cash flow, refer to page 56.

(Dividend) payout ratio
Our dividend payout ratio or "payout ratio" represents the ratio of the total amount of dividends paid to shareholders relative to our adjusted earnings per share.

Annualised Subscription Value (ASV) growth
Our ASV growth metric measures the year-on-year expansion in the annualised value of our book of subscription contracts, at a point in time. By annualising the value of contracts that have recently been initiated, the metric should act as a leading indicator of Data & Analytics subscription growth (96% of Data & Analytics revenue).

Cost and revenue synergies
We use our cost and revenue synergy programmes to quantify the financial value directly generated by LSEG's acquisition of Refinitiv, which closed in January 2021. Our runrate synergy achievement figures represent the incremental annual revenue or cost savings delivered as a result of synergies between the two legacy organisations, which were identified prior to the acquisition.

$
US dollar, unless otherwise specified.

Acadia
Acquired March 2023, provider of automated uncleared margin processing and integrated risk and optimisation services for the global derivatives community.

ADV
Average daily volumes or average daily value traded.

AI
Artificial Intelligence.

AIM
The Group's market for smaller and growing companies established in London.

API
Application Programming Interface.

ASV
Annual Subscription Value. A point in time measure of our recurring book of subscription contracts vs 12 months ago.

BETA
A securities processing system that LSEG divested to Clearlake Capital Group L.P and Motive Partners in July 2022. BETA previously sat within the Wealth Solutions business.

Beyond Ratings
LSEG completed the acquisition of Beyond Ratings in 2019. Beyond Ratings is a provider of ESG data and analytics for fixed income investors.

CAGR
Compound annual growth rate.

CCP
Central Counterparty – stands between two parties to a trade to eliminate counterparty risk by ensuring that settlement takes place.

CDSClear
LCH's over-the-counter credit default swap (CDS) clearing service.

CFC
Controlled foreign company

CMIT
The UK Capital Markets Industry Taskforce comprises CEOs, Chairs and industry leaders representing private and publicly listed companies, asset owners and managers, and the advisory services that support their access to capital and investments.

Combined Group
Combination of LSEG and Refinitiv following completion of the Refinitiv acquisition on 29 January 2021.

Company
London Stock Exchange Group plc.

Derivatives
Tradable financial instruments whose value is determined by the value of underlying instruments; this could be equity, an index, a commodity or any other tradable instrument.
- Exchange traded derivatives (ETD)
  Listed derivatives traded on an electronic trading venue such as an exchange and cleared through a clearing house.
- Over the counter (OTC)
  Derivatives are negotiated privately between two parties and may be cleared through a clearing house.

EBITDA
Earnings before interest, tax, depreciation and amortisation.

Exchange Traded Fund (ETF)
Low-cost and flexible investments that track indices and sectors.

FCA
Financial Conduct Authority, the current regulator of conduct of providers of financial services in the UK and of UK trading venues such as Recognised Investment Exchanges (RIEs) and MTFs.

Fintech
Financial technology.

ForexClear
LCH's over-the-counter foreign exchange clearing service.

FTSE Russell
FTSE International Limited and its subsidiaries, the Group subsidiary that is a leading global provider of index and analytics solutions.

FXall
The Group's dealer-to-client electronic FX trading and workflow platform.

FX Matching
The Group's dealer-to-dealer FX trading venue.

GDC
Global Data Consortium. Acquired May 2022, a provider of identity verification data to support clients with KYC requirements.

GIACT
The Group's digital identity and payments verification platform. Refinitiv acquired GIACT in December 2020 and it was included in the acquisition of Refinitiv in January 2021.

Green Economy Mark
Mark recognising equity issuers on London Stock Exchange with 50% or more green revenues.

Group/LSEG
The Company and its Group undertakings.

Hampton-Alexander Review
An independent, business-led initiative established in 2016 to increase the representation of women in senior leadership positions and on boards of FTSE 350 Companies.

IPO
Initial Public Offering – the process whereby companies join our markets and raise capital for the first time.

KYC
'Know your customer' screening.

LCH or LCH Group
LCH Group Limited and its subsidiaries, the Group's 82.6% owned global clearing and risk management business.

Lipper
Lipper provides global, independent fund performance data in a precise, granular fund classification system, and includes mutual funds, closed-end funds (CEFs), exchange-traded funds (ETFs), hedge funds, domestic retirement funds, pension funds, and insurance products.

LSE
London Stock Exchange plc.

Main Market
The market for companies which have been admitted to trading on the London Stock Exchange's principal market.

MayStreet
Acquired May 2022, a provider of global low-latency technology and market data to industry participants including banks, asset managers and hedge funds.

Mergent Inc.
LSEG completed the acquisition of Mergent Inc., a provider of business and financial data on public and private companies, in January 2017 and has been integrated within FTSE Russell.

Multilateral Trading Facility (MTF)
Alternative electronic trading systems as categorised under MiFID.

Non-Executive Director (NED)
A Non-Executive Director (NED) is a member of the Board, who is not part of the company's executive management team.

NTI
Net Treasury Income. Income earned on cash deposited with LCH (the Central Counterparty) as margin and default funds as part of the risk management process.

OTC
Over-the-counter trades in financial instruments executed outside a Regulated Market or MTF – see also Derivatives.

Paris Agreement
A legally binding international treaty on climate change, signed at the COP21 conference in Paris in 2015

Parker Review
An independent review commissioned in 2017 to consider how to improve the ethnic and cultural diversity of UK boards.

PrimaryBid
A technology platform which connects retail investors with listed companies raising capital, of which LSEG is a minority owner.

Primary Market
The listing of securities for the first time via an IPO or introduction of existing securities.

Prospectus
LSEG published a shareholder prospectus on 9 December 2020, ahead of the Refinitiv transaction completion and readmission of the new LSEG to trading on London Stock Exchange's main market.

PRS
Pricing and Reference Services.

Quantile
Acquired December 2022, a provider of portfolio, margin and capital optimisation and compression services for the global financial services market.

Race to Zero
A UN-led campaign to rally leadership and support from businesses, cities, regions and investors for a healthy, resilient, zero carbon recovery. All members are committed to achieving net zero emissions as soon as possible, and by 2050 at the very latest.

Refinitiv
Refinitiv, a global provider of financial market data and infrastructure, was founded in 2018. It became a subsidiary of London Stock Exchange Group as of 29 January 2021.

Refinitiv transaction/acquisition
The all-share acquisition of Refinitiv by London Stock Exchange Group plc, completed on 29 January 2021.

Red Flag
The Group's provider of workflow, data, due diligence and ratings solutions that help corporate compliance customers to evaluate money laundering, bribery and corruption, reputational and ESG risk. Refinitiv acquired Red Flag in October 2020 and it was included in the acquisition of Refinitiv in January 2021.

Regulated Market
A multilateral system which brings together multiple third party buying and selling in financial instruments in accordance with rules, authorised under provisions of MiFID.

Relationship Agreement
The relationship agreement effective 29 January 2021 between the Company, York Parent Limited, York Holdings II Limited, York Holdings III Limited and BCP York Holdings (Delaware) L.P. which governs the relationship between the parties following completion of the Refinitiv acquisition. Further information on the Relationship Agreement can be found at pages 65–70 of the shareholder prospectus dated 9 December 2020 and available on the LSEG website.

Repo
Repurchase Agreement – the process of borrowing money by combining the sale and subsequent repurchase of an asset cleared through LCH.

RNS
Regulatory News Service, the Group's Primary Information Provider, for dissemination of regulatory and non-regulatory news to the market.

Science Based Targets Initiative (SBTi)
A coalition established in 2015 between the CDP, the United Nations Global Compact, World Resources Institute and WWF which aims to enable companies to set emission reduction targets in line with leading climate science.

Secondary Market
The public market on which securities once issued are traded.

SEDOL
The Group's securities identification service.

SETS
The electronic order book operated by the London Stock Exchange for the trading of the most liquid securities.

Sustainable Bond Market (SBM)
A dedicated segment of London Stock Exchange for social and sustainable bonds.

Sustainable issuers
The total number of issuers across the Sustainable Bond Market and the Voluntary Carbon Market, plus those that display the Green Economy Mark.

SwapAgent
LCH's service designed to simplify the processing, margining and settlement of non-cleared derivatives.

SwapClear
LCH's over-the-counter interest rate swap clearing service.

The Yield Book
The Yield Book provides fixed income analytics that enables market makers and institutional investors to perform portfolio analysis and risk management. LSEG acquired The Yield Book in August 2017 and incorporated it within FTSE Russell.

Tick History Data
LSEG's historical archive of real-time pricing data, covering OTC and exchange-traded instruments from trading venues and third-party contributors.

TORA
Acquired August 2022, our cloud-based multi-asset trading software, with functions including order management and portfolio rebalancing.

Turquoise
Turquoise Global Holdings Limited, the Group's 84.2% owned pan-European MTF equity trading subsidiary, a venture between the Group and a number of global investment bank clients.

UnaVista
The Group's web-based matching, reconciliation and data integration engine that provides matching of post trade data in a simple, automated process and the Trade Repository approved by ESMA.

Voluntary Carbon Market (VCM)
The Voluntary Carbon Market enables private investors, governments, non-governmental organisations, and businesses to voluntarily purchase carbon offsets to offset their emissions.

Workspace
LSEG's data & analytics workflow solution designed to provide access to company financial data and economic indicators as well as news, analytics and productivity tools.

World Check
The Group's risk intelligence database designed to assist organisations in meeting their KYC and third-party due diligence screening obligations.

Investor Relations

Shareholder services

Equiniti registrars Shareview services
Shareholders who hold London Stock Exchange Group shares in certificated form or within an Equiniti Investment Account or ISA can access Shareview. Shareview is a free service provided by our registrars, Equiniti. It may be accessed through the internet at: www.shareview.co.uk.

By creating a Shareview portfolio, shareholders will gain online access to information about their London Stock Exchange Group shares and other investments including:
— Direct access to information held for you on the share register including share movements
— A daily indicative valuation of all investments held in your portfolio
— A range of information and practical help for shareholders

To register at Shareview shareholders will need their shareholder reference (which can be found on your share certificate) and they will be asked to select their own personal identification number. A user ID will then be posted to them.

If shareholders have any problems in registering their portfolio for the Shareview service, contact Equiniti on 0371 384 2544. For calls from outside the UK, contact Equiniti on +44 (0)121 415 7047.

Group's share price service
To obtain share price information for London Stock Exchange Group plc, see our website at: www.lseg.com.

By clicking on the Investor Relations tab, you will find the Company's share price, historical closing prices and volumes and an interactive share price graph.

Substantial Shareholders
As at 28 February 2024 the Company had been informed of the following notifiable voting rights in the issued share capital of the Company in accordance with DTR 5 of the FCA's Disclosure Guidance and Transparency Rules:
— BCP York Holdings (Delaware) LP 7.0%[1]
— Qatar Investment Authority 7.0%
— BlackRock (Index/BGI) 5.7%
— The Capital Group Companies, Inc. 5.0%
— Lindsell Train Limited 4.4%
— Microsoft Corporation 4.2%

In connection with LSEG's acquisition of the Refinitiv business, Refinitiv's former owners, Thomson Reuters Corporation and a consortium of certain investment funds managed by Blackstone Group Inc. collectively hold a 10.2%[2] economic stake in LSEG via the entities York Holdings II Limited, York Holdings III Limited and BCP York Holdings (Delaware) L.P..

Financial calendar (provisional)
— AGM – 25 April 2024
— Q1 Trading Statement (revenues only) – 25 April 2024
— Ex dividend date for final dividend – 18 April 2024
— Final dividend record date – 19 April 2024
— Final dividend payment – 22 May 2024
— Half year end – 30 June 2024
— Interim Results (for six months ended 30 June 2024) – 01 August 2024
— Q3 Trading Statement (revenues only) – 24 October 2024
— Financial year end 31 December 2024
— Preliminary Results February 2025

Please refer to our website: www.lseg.com/investor-relations and click on the shareholder services section for up-to-date details.

For Tradeweb reporting dates please refer to their website: investors.tradeweb.com

2024 AGM

The AGM for the year ended 31 December 2023 will be held on 25 April 2024 at Butchers' Hall, 87 Bartholomew Close, London, EC1A 7EB, starting at 10.30 am.

1 Represents total voting rights held by BCP York Holdings (Delaware) LP, York Holdings II Limited and York Holdings III Limited.
2 As at 28 February 2024.

Investor Relations
London Stock Exchange Group plc
10 Paternoster Square
London
EC4M 7LS

For enquiries relating to shareholdings in
London Stock Exchange Group plc:

Shareholder helpline: +44 (0)20 7797 3322. Email: ir@lseg.com

Visit the Investor Relations section of our website for up-to-date information including the latest share price, announcements, financial reports and details of analysts and consensus forecasts: www.lseg.com/investor-relations

Registered office
London Stock Exchange Group plc
10 Paternoster Square
London
EC4M 7LS

Registered company number
London Stock Exchange Group plc: 5369106

Registrar information
Equiniti
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

T +44 (0)371 384 2030 or +44 (0)121 415 7047
Lines open 8:30 to 17:30. Monday to Friday.
www.shareview.co.uk

Independent auditors
Ernst & Young LLP
1 More London Place
London
SE1 2AF

Principal legal adviser
Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London
EC4Y 1HS

T +44 (0)20 7936 4000

Corporate brokers
Citi
33 Canada Square
Canary Wharf
London
E14 5LB

T +44 (0)20 7500 5000
www.citigroup.com

Morgan Stanley
25 Cabot Square
Canary Wharf
London
E14 4QA

T +44 (0)20 7425 8000
www.morganstanley.com

Goldman Sachs
Plumtree Court
25 Shoe Lane
London
EC4A 4AU

T +44 (0)20 7774 1000
www.goldmansachs.com

Disclaimers

AIM, London Stock Exchange, London Stock Exchange Group, LSE, the London Stock Exchange Coat of Arms Device, FTSE Russell, SEDOL, SETS and UnaVista, are registered trade marks of London Stock Exchange plc. Main Market and the Green Economy Mark are un-registered trade mark of London Stock Exchange plc.

Beyond Ratings is a registered trade mark of Beyond Ratings.

CDSClear is a registered trade mark of LCH S.A.

FTSE, FTSE Russell is a registered trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence.

GIACT is a registered trade mark of Giact Systems, LLC.

LCH, SwapClear, SwapAgent, EquityClear, ForexClear and RepoClear are registered trade marks of LCH Limited.

LSEG and the LSEG Coat of Arms is a trade mark of London Stock Exchange Group plc

MillenniumIT is a registered trade mark of Millennium Information Technologies Limited. Refinitiv, the Refinitiv logo, Refinitiv Workspace, Lipper, World-Check, REDI, FXall, Eikon, Red Flag Group, Scivantage and Datastream are registered trademarks of Financial & Risk Organisation Limited and Refinitiv US Organization LLC, as applicable.

Tradeweb is a registered trade mark of TRADEWEB MARKETS LLC.

Turquoise is a registered trade mark of Turquoise Global Holdings Limited.

The Yield Book and WGBI are registered trade marks of The Yield Book, Inc.

Designed and produced by **Friend**
www.friendstudio.com

Board and Executive Committee photography by Henrik Andersen (LSEG) and Nabor Godoy (www.godoyshots.com).

This report is printed on Vision Superior which is made of FSC® certified and other controlled material.

Printed sustainably in the UK by Pureprint, a Carbon Neutral company with FSC® Chain of custody and an ISO 14001-certified environmental management system recycling over 100% of all dry waste.

FSC
www.fsc.org
MIX
Paper | Supporting responsible forestry
FSC® C022913

www.lseg.com

London Stock Exchange Group plc
10 Paternoster Square
London EC4M 7LS
Telephone +44 (0)20 7797 1000

Registered in England and Wales No. 5369106