



Encouraging growth. Expanding opportunities.

Corporate Sustainability Report

31 December 2018

Contents	Corporate Sustainability Strategy	2018 Review				Performance	Appendix
		Our Markets	Our Services	Our People	Our Communities		
02 Welcome to our 2018 Corporate Sustainability Report	05 Our corporate sustainability strategy	10 Our Markets				30 Data reporting overview	40 Appendix i
03 Group at a glance	06 Materiality review	14 Our Services				31 Environment	43 Appendix ii
04 Report at a glance	07 Progress on our commitments	17 Our People				35 Social	45 Appendix iii
		23 Our Communities				36 Governance	46 Appendix iv
		28 Looking ahead					

About London Stock Exchange Group (LSEG)

London Stock Exchange Group is a global markets infrastructure business. We provide valuable services for a wide range of customers, focusing on Information Services, Risk and Balance Sheet Management and Capital Formation.

The Group plays a vital economic and social role in enabling companies to access funds for growth and development.

For further information, visit: www.lseg.com

-16%

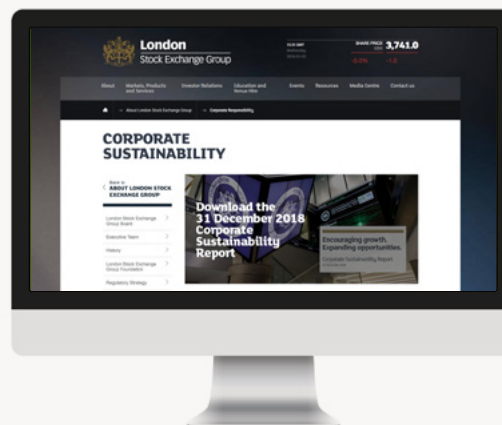
Overall carbon footprint per Full Time Employee

£1.3 million

Donated to charity by LSEG Foundation

100%

Employees successfully completed mandatory Anti-Bribery and Corruption training in 2018



Our culture of sustainability

This report provides an annual update of the Group's approach, aims and achievements across all aspects of Corporate Sustainability (CS). Our sustainability performance for 2018 is demonstrated through both quantitative KPIs and descriptions of various initiatives and programmes that were put in place to implement our strategy and reach our targets.

For further information, visit: www.lseg.com/about-london-stock-exchange-group/corporate-sustainability.

How to use this interactive PDF

- Select the navigation tabs at the top of each page to jump to the start of that section
- Select from the contents list or **highlighted text** throughout the report, to jump to that page or web link

Contents page

Previous page



Next page



Welcome to our 2018 Corporate Sustainability Report

David Schwimmer

CEO



“As the Group expands its operations, we also continue to review the impact of our business on key stakeholders around the world”

Corporate Sustainability

As a global financial markets infrastructure business, LSEG understands the vital role we play in supporting and enabling a financial ecosystem that fosters long-term sustainable economic growth, for the benefit of all participants in capital markets – issuers, investors and intermediaries. We are committed to supporting global financial stability and sustainable economic growth by enabling businesses and economies to fund innovation, manage risk and create jobs.

Our core businesses are engaged in activities that directly support this purpose. In Capital Markets, helping high growth companies access capital is fundamental to our aim of promoting innovation and creating jobs. We support SMEs through ELITE, our global educational and capital raising programme for private high growth companies, which now includes over 1000 companies from 40 countries. ELITE partners with local exchanges around the world to develop the local funding ladder and investor base. In Information Services, FTSE Russell has introduced innovative tools to help support investors' interest and investment in environmental, social and governance (ESG) data factors, for example, launching FTSE Russell's STEP Change report to help drive better global standards in reporting and help companies measure their own performance against peers. In Post Trade Services, LCH plays a critical role supporting global financial stability by reducing risk in financial markets through maximising the number of counterparties that have access to an international liquidity pool, simplifying outstanding exposures and delivering significant cost and margin efficiencies for members and customers.

We also recognise our responsibilities to our people and their professional development, and we continue to support a culture that reflects our values of integrity, partnership, innovation and excellence. We are committed to supporting a culture that is diverse and inclusive, where every individual can be his or her true self at work and fulfil his or her potential. In 2018, we introduced our first

Group-wide Career Framework, 'Futures', designed to support colleagues in their career progression and facilitate internal mobility across the Group. Our 'Mentoring Exchange' programme was expanded globally to include more than 800 colleagues and 50 colleagues also joined the 30% Club cross-company mentoring scheme in the UK. In 2018, we also signed the 'Time to Change' Employer Pledge, affirming our commitment to support mental wellbeing in the workplace. As part of our community outreach, we continued to work with global and regional charities which help disadvantaged young people. In 2018, the Group's Foundation donated £1.3 million to various charities and our colleagues also were encouraged to volunteer through two paid volunteer days offered to every employee.

As the Group itself expands its operations, we also continue to review the impact of our business on key stakeholders around the world. Our Group Corporate Responsibility policy has been developed to guide the way we conduct our business in line with our commitment to ensure the long-term viability of our Group through managing our environmental and social impacts and practicing good governance.

This annual Corporate Sustainability (CS) report explains our CS strategy and highlights the developments and progress that we have made through the past year across our four areas of strategic focus – Our Markets, Our Services, Our People and Our Communities. We hope this report provides an insight into the way we approach this important topic across the Group and we welcome your feedback.

David Schwimmer



Overview

Corporate Sustainability Strategy

2018 Review

Our Markets

Our Services

Our People

Our Communities

Performance

Appendix

Group at a glance

Who we are

London Stock Exchange Group is a global financial markets infrastructure business. We provide valuable services for a wide range of customers, focusing on Information Services, Risk and Balance Sheet Management and Capital Formation.

Our Vision

To be the world's leading financial markets partner.

Our Purpose

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

Our Group

Information services

Provides customers with an extensive range of valuable information, analytics and data products, that inform investment decisions and capital allocation, including indices, data on pricing, trading and valuations.

Post Trade

The Group offers a full range of central counterparty (CCP) clearing services and collateral management solutions which provide strong risk management and capital efficiency benefits. These allow our buy-side and sell-side customers to operate more effectively, enabling increased trading and investment activities.

Capital Markets

Our Primary Markets provide choice and connections between a wide range of issuers and investors, enabling domestic and international companies to raise capital effectively. Our Secondary Markets provide liquid and deep access to financial securities to enable improved price formation, transparency and trading efficiency.

Technology

It delivers financial markets infrastructure IT to various businesses within the Group. This IT comprises resilient, secure, high performance trading platforms, post trade platforms, real time market data, hosting and other infrastructure products and services. It also provides these services to 3rd parties around the world.

Our Corporate Sustainability

Integrity and trust are at the core of what we do. As a Group we have, from the outset, operated under the banner of 'my word is my bond'. That overriding principle is still relevant today as a provider of trusted, reliable, independent and user neutral services. We recognise the role we play in international markets. This role encapsulates not only commercial and performance objectives but also environmental, social and governance (ESG) responsibilities.



● LSEG offices

AIM and AIM Italia recognised as EU SME Growth Markets.

London Africa Advisory Group (LAAG) reported on ways to further develop African capital markets.

SwapClear cleared over US\$1 quadrillion of notional in 2018.

Enhanced due diligence in countries which have elevated risk of Modern Slavery.

FTSE Russell launched its Stewardship, Transition and Engagement program for Change ('STEP Change') and accompanying report.



Report at a glance

Our 4 Strategic Pillars

Our Markets

Supporting the sustainable growth of companies for long-term economic prosperity

Highlights:

- ELITE surpassed 1000 companies from 40 different countries, with 11 companies joining public markets
- Both AIM and AIM Italia designated as European SME growth markets
- A record 54 new ESG ETFs were listed on our markets
- 2018 was a record year for green bond listings on our London markets

Our Services

Enabling informed investment decisions and transparent markets operations

Highlights:

- FTSE Russell launched its Stewardship, Transition and Engagement program for Change ('STEP Change') and accompanying report, the 2018 STEP Change Report
- FTSE Russell launched green real estate indexes
- FTSE Russell report found the size of the investment opportunity from the transition to a green economy to be \$4 trillion of market capitalisation
- LSEG partnered with Sustainalytics to deliver greater choice for investors in integrating ESG into benchmarks and strategy

Our People

Recruiting and developing diversified talent to fulfil their potential

Highlights:

- LSEG signed 'Time to Change' employers pledge
- LSEG implemented the Group Career Framework to facilitate employee career development
- WIN launched in Sri Lanka and Malaysia
- Over 580 employees benefited from Sharesave maturities in 2018

Our Communities

Empowering people, enriching communities

Highlights:

- LSEG Foundation donated £1.3 million to charities in 2018
- Crée Ton Avenir was chosen as the new LSEG France Partner Charity
- Caf Onlus was chosen as the new LSEG Italy Partner Charity
- £105,000 raised by LSEG employees and Foundation Matching

ENVIRONMENT

-16%

Overall carbon footprint per FTE

SOCIAL

40%

Stretch target of female representation for senior management and overall population by 2020

GOVERNANCE

100%

Employees successfully completed mandatory GDPR training in 2018



Part 1

Corporate Sustainability
Strategy



Our corporate sustainability strategy

STRATEGY IMPLEMENTATION

Our Corporate Sustainability (CS) strategy is defined by 6 impact areas and is executed through 4 pillars, as demonstrated in the graphic to the right.

Our Approach to CS

- To play an essential role in enabling sustainable global economic growth
- To ensure our CS behaviour and actions are consistent with best-practice while generating long-term value creation

At LSEG, we believe that good CS practices are fundamental to our continued success and delivery of enhanced business performance. We set our CS objectives, above, in line with our wider business strategy to reflect this view. This ensures we can continue to not only strengthen global economic growth but also fulfil a social purpose by promoting sustainable business practices, working to sustain the environment and supporting the funding and development of small and medium-sized enterprises (SMEs).

To develop and achieve the Group CS objectives and targets, the Group CEO established a Group CS Committee in 2011, appointing its Chair, and the Group strategic CS pillar leads. Each pillar lead then established dedicated working teams drawn from business areas across the Group which are integral to the governance of the overall CS programme. This framework allows us to set coherent objectives with cross-Group impact and provides a platform to engage with internal and external stakeholders. The successful execution of our CS strategy is exhibited through the achievements made throughout 2018 discussed in this report.

Group Strategy

Our strategy and our activities are aligned to 3 strategic pillars.

Driving global growth

As a customer-focused organisation, we benefit from deep and broad relationships with market participants globally. This drives product and service innovation and, combined with our ability to respond effectively to secular trends, creates growth opportunities across the financial markets value chain.

Developing our partnership approach

LSEG is set apart in the Financial Markets Infrastructure sector through our open access philosophy and customer partnership approach. This gives us maximum flexibility to develop commercial and corporate opportunities amidst ongoing industry and regulatory change.

Delivering best in class capabilities

We constantly seek to improve our execution capabilities, customer servicing and expertise in financial markets infrastructure. We utilise technology, our global customer relationships and the skills of our people to innovate, manage risks and to facilitate the execution of cross-divisional opportunities, using the collective expertise and collaboration across the Group.

Our CS Strategy

Our CS strategy is defined by 6 impact areas.

Convene

We leverage our position at the centre of capital markets to facilitate dialogue and catalyse action towards the development of sustainable finance.

Grow

We will help SMEs raise capital and fund investments to create employment worldwide.

Disclose

We will provide investors with information and tools to assess the ESG performance of companies to enable incorporation into engagement and investment.

Transition

We work with issuers and investors to provide solutions that accelerate and manage the transition to a low carbon and sustainable economy.

Develop

We will employ and invest in the development of a highly diverse global workforce to deliver on our sustainable vision.

Sustain

We will help the less advantaged in communities worldwide to develop business skills and to support the environment.

Our CS Approach

Our CS strategy is then in turn executed through the following 4 pillars.

Our Markets

Supporting the sustainable growth of companies for long-term economic prosperity.

Our Services

Enabling informed investment decisions and transparent markets operations.

Our People

Recruiting and developing diversified talent to fulfil their potential.

Our Communities

Empowering people, enriching communities.

Overview	Corporate Sustainability Strategy	2018 Review	Performance	Appendix
		Our Markets Our Services Our People Our Communities		

Materiality review

Prior to reporting, all CS initiatives and activities from across the year are assessed for their materiality within our CS strategic framework.

Items are cross referenced using both internal and external evaluators. Internally, activities are grouped into pillars and evaluated on their relevance to 6 impact areas and externally against the UN Sustainable Development Goals (SDGs) and Global Reporting Initiative (GRI) materiality definitions. If the item is deemed to be material against this framework, it is reported.

Together, this framework provides a tool to:

- set coherent objectives with cross-Group impact
- create aligned actions plans
- engage with employees to add value through innovative CS strategies
- engage effectively with external audiences and stakeholder groups

Sustainable Development Goals

We assess CS initiatives and activities for their contribution towards fulfilling 5 SDGs that are relevant to stock exchanges as set out by the UN Sustainable Stock Exchanges initiative (UN SSE): gender equality, decent work and economic growth, responsible consumption and production, climate action and partnerships for the goals. More information on SDGs can be found here:

<https://sustainabledevelopment.un.org/sdgs>.

This framework, incorporating the SDGs in corporate reporting, is recommended in our ESG Reporting Guidance.

Impact Areas

The 6 impact areas and their materiality are:

CONVENE

Collaboration with the financial industry, charities, governments and companies is important to progress solutions for the move to a low carbon economy and sustainable businesses.

Sustainable Development Goals



GROW

Supporting the growth of companies and the economy, and access to funding, provides stability and safety, and generates jobs for a growing population.



DISCLOSE

The publication and reporting of Group ESG activities in accordance with rating agency sustainability recommendations addresses the growing investor base that include ESG factors into their investment process.



TRANSITION

Reducing market risk through clearing, and moving to a sustainable, stable business model is systemically important given the central role of LSEG in the economy and the effects of climate change.



DEVELOP

Continued business innovation, the increase in employee expertise and diversity, and setting ambitious sustainability goals strengthen our industry position and increase stability for stakeholders and the economy.



SUSTAIN

Maintaining support for underprivileged communities, developing economies and the environment is important for the future stability of all stakeholders and the communities in the areas in which we operate.





Overview

Corporate Sustainability Strategy

2018 Review

Our Markets

Our Services

Our People

Our Communities

Performance

Appendix

Progress on our commitments






Key:

★ Exceeded target

✓ Met target

➔ Working towards target

In the past year, we have continued to make progress towards the commitments made in our 2017 CS report.

Pillar	Impact area	Objective	Progress	SDGs Supported ¹	Progress
Our Markets Our Services	Grow Convene Disclose Transition	<p>Set out an integrated programme and campaign supporting the Global Sustainable Investment Centre.</p> <p>Develop tools and plans to support the implementation of the final recommendations of the Financial Stability Board's Taskforce on Climate-Related Financial Disclosures.</p>	<ul style="list-style-type: none"> In 2018, a specialist green finance consultancy was tasked with developing the integrated programme across the relevant business units The results of the review will form the foundation for an integrated campaign in 2019 In 2018 an auditing firm conducted a review of all LSEG sustainability and TCFD-related disclosures, setting out a list of actions for follow-up. These actions have informed an action plan to enhance LSEG sustainability disclosures in 2019-2020 The Green Revenues report launched in May 2018 (see page 15), provides analysis relevant to identification of climate-related opportunities on global capital markets 	  	➔
Our People Our Communities	Develop Sustain	<p>Identify a set of medium and long-term focus areas to inform the Group corporate sustainability programme in the long run.</p> <p>Develop greater focus within the Group sustainability strategy on the Group's culture and value creation for stakeholders to align with Group strategy.</p> <p>Continue making progress towards the achievement of the agreed 2020 targets².</p>	<ul style="list-style-type: none"> 4 high-level guiding objectives have been prioritised and will inform the sustainability action plan for the period 2019-2024, with a view to aligning to the results of the culture work stream A cross-functional working group has been established to work on the articulation of LSEG culture and values, with a view to inform LSEG reporting in 2019 For progress on our diversity targets, see Social section (page 35) For progress on our Environmental targets, see Environment section (pages 31–34) For progress on involvement of LSEG staff in volunteering see Our Communities section (page 27) 	 	➔

1. The Sustainable Development Goals (SDGs) identified here are those considered material for exchanges by the Sustainable Stock Exchanges initiative.

2. Ongoing delivery.



Part 2

2018 Review



Our Markets

Supporting the sustainable growth of companies for long-term economic prosperity

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

HIGHLIGHTS

- ELITE surpassed 1000 companies from 40 different countries, with 11 companies joining public markets
- Both AIM and AIM Italia designated as European SME growth markets
- A record 54 new ESG ETFs were listed on our markets
- 2018 was a record year for green bond listings on our London markets

54

Green and sustainable bonds listed on our markets in 2018

1,050

Companies in the ELITE ecosystem

“Our markets provide a platform for funding global businesses and access to an ever-growing pool of green finance capital”

Raffaele Jerusalmi

Group Director of Capital Markets and Chief Executive Officer of Borsa Italiana S.p.A.

Impact Areas:

Convene | Grow | Disclose | Transition

Sustainable Development Goals:



Overview

Corporate Sustainability Strategy

2018 Review
Our Markets

Our Services

Our People

Our Communities

Performance

Appendix

Our Markets continued

Initiative

ELITE Grow

Continuing to support SMEs achieve growth

ELITE is LSEG's innovative international business support and capital raising programme designed for ambitious, high growth companies. In 2018, the ELITE global community surpassed 1000 companies representing 40 countries and 35 sectors, and accounting for 470,000 jobs. Demonstrating our commitment to supporting global SME growth, ELITE launched in the USA, Lebanon and Saudi Arabia.

A record number of ELITE companies joined LSEG public markets across Italy and the UK in 2018. 11 ELITE programme graduates took this next step in their growth, bringing the total number to 24. ELITE Club Deal, the private placement platform that streamlines the capital raising for ELITE companies, supported 11 companies in raising a combined amount of €136 million.



ELITE graduation ceremony 2018

AIM Grow

The world's leading growth market

In 2018 both AIM and AIM Italia became the 1st growth markets in Europe to be officially recognised as European SME Growth Markets under legislation introduced within MiFID II.

AIM has been a source of long-term growth capital for more than 3,800 companies from around the world. During 2018, a further £5.5 billion was raised on AIM and €1.3 billion on AIM Italia.

£5.5 billion

raised on AIM in 2018

Reports Grow

Companies to Inspire

Our 'Companies to Inspire' reports are LSEG's way of celebrating the fastest-growing and most dynamic SMEs. This year we issued the 5th 1000 Companies to Inspire Britain and the 3rd 1000 Companies to Inspire Europe reports.

1000 Companies to Inspire Britain 2018 clearly illustrates the economic potential of the UK's SMEs and underlines the importance of these businesses to the economy. This year companies demonstrated revenue growth at an average rate

of 71%, continuing previous year's rate of 70%. Our 1000 Companies to Inspire Europe report also highlighted the importance of European SMEs, with the companies included in the report boasting an average 2-year job creation rates of 37%.

London Africa Advisory Group

In November, LSEG launched the inaugural series of reports on African capital markets, developed as part of its London Africa Advisory Group (LAAG). The 5 reports put forward recommendations on how African capital markets could be

further developed to increase global investment flows. The reports address 5 key topics, including developing the green bond market for infrastructure products, capital raising challenges for SMEs and corporate information dissemination.

80%

of employment in Africa from SMEs

Conferences Convene

Think Sustainable Network

In 2018, LSEG hosted the Inter-American Development Bank's (IDB's) 'Think Sustainable' Network. The event looked at LSEG's approach to sustainable finance with a focus on FTSE Russell and London Stock Exchange's Primary Markets activity as well as advising on trends in ESG investing and green finance more broadly.

The event attracted 20 senior finance people from across Central and South America – Government Finance Ministries, Fund Managers, Banks, Pension Funds and the IDB itself. This network hopes to build common understanding of growing ESG issues and opportunities.

Overview	Corporate Sustainability Strategy	2018 Review Our Markets	Our Services	Our People	Our Communities	Performance	Appendix
----------	-----------------------------------	-----------------------------------	--------------	------------	-----------------	-------------	----------

Our Markets continued

Initiative			
Green Finance Grow Transition Convene	<p>Green bonds</p> <p>2018 saw 36 new green bonds listed on the LSE, raising a total of over £6 billion and of which 56% were international, reinforcing LSEG's status as a leading global centre for sustainable and green financing. Highlights include the 1st sovereign international green bond (Fiji £21 million) to trade on the green bond segment on LSE's International Securities Market (ISM), and the largest ever green bond listing on London Stock Exchange, The Industrial and Commercial Bank of China raising £1.2 billion.</p> <p>These landmark transactions bring the total number of green bonds listed on our London markets to 95, which have raised around £19 billion.</p>	<p>In 2018, Borsa Italiana's Green & Social bonds segment was awarded a Certificate of Recognition at the prestigious Green Bond Pioneer Awards organised by the Climate Bonds Initiatives, new partner on our Fixed Income markets. This award recognises of our Group's leading international role in promoting green finance and sustainable investment. 18 new Green or Sustainable bonds were listed and over €45 billion was raised across 70 instruments in 2018.</p>	 <p>Fiji sovereign green bond welcome</p>
	<p>Green Bond Roundtable</p> <p>As part of the UK Government's annual Green Great Britain Week, LSEG convened a diverse group of fixed income experts to discuss their perspectives on the continued growth and dynamics of the Green Bond market.</p>	<p>This underlined the importance of market participants working together to sustain the growth of this asset class to support the transition to a low carbon economy.</p>	
	<p>Green Equity and ETFs</p> <p>At year end, we had 132 green companies on our markets, of which 41 are listed on AIM. This includes 20 green funds on our London markets, 4 of which came to market in 2018, raising a total of £242 million. This included SDCL Energy Efficiency Income Trust (SEEIT) which is London's 1st listed energy efficiency fund.</p>	<p>In 2018, a record 28 ESG ETFs were listed on our London market, bringing the total number to 52, with value traded up 69% year on year. Our Italian ETFPlus market saw 26 new ESG and sustainable ETF's listed, bringing the total up to 49.</p>	 <p>SDCL opens the market in London</p>
Charity Bonds Grow Transition	<p>Charity bonds</p> <p>Retail Charity Bonds is an issuing platform enabling UK charities to raise medium-term debt finance through bonds issued to retail and wholesale investors.</p>	<p>In 2018, Retail Charity Bonds PLC issued a bond raising £50m; the proceeds of which will be loaned to Belong Limited, a not-for-profit organisation providing care facilities across the UK.</p>	

Overview	Corporate Sustainability Strategy	2018 Review Our Markets	Our Services	Our People	Our Communities	Performance	Appendix
----------	-----------------------------------	-----------------------------------	--------------	------------	-----------------	-------------	----------

Our Markets continued

Initiative

LSEG ESG Reporting Guidance
Disclose
Convene

Promoting Good ESG Disclosure in Emerging Markets

To support ESG disclosure in emerging markets LSEG hosted a roundtable organised by The International Finance Corporation (IFC), in collaboration with the UN Sustainable Stock Exchanges (UN SSE). This event marked the launch of the IFC's guidance which was closely aligned with LSEG's own ESG Reporting Guidance, and an associated a roundtable discussion on 'Disclosure and Transparency and ESG Integration in Emerging Markets'.

Attendees included investors, stock exchanges and regulators. Participants discussed the needs of today's investors for ESG disclosure, global trends in sustainability reporting regulation, and the best platforms to address sustainability.



IFC opens the market in January 2018

Education on ESG disclosure in Italy

On 15th November, Borsa Italiana in partnership with FTSE Russell convened all the Italian listed companies covered by FTSE Russell ESG assessment to raise their awareness about FTSE Russell's ESG methodology.

The session addressed FTSE Russell's ESG scoring and rating approach, and how adoption of global reporting standards can improve access to international capital and broaden the investor base.

Annual review of ESG disclosure on LSEG markets

Every year, we benchmark our markets on the quality of ESG disclosure of our listed companies, based on research endorsed by the UN SSE initiative which measures and tracks how issuer disclosure over time is improving across different markets. This year, FTSE Russell contributed to the research as data partner. In line with FTSE Russell's ESG methodology, a new focus on sector materiality was introduced in this year's review, part of the UN SSE '2018 Report on Progress'. The sample used included the more than 4,300 companies. Among large stock exchanges (those with at least 100 listed companies with over \$1 billion in sales) the London Stock Exchange had the highest disclosure rate for greenhouse gas (GHG) emissions, with a near-perfect 97% disclosure rate for its listed companies. Overall, Borsa Italiana also performed well achieving the 6th position globally for disclosure, while London Stock Exchange ranked 14th.

Stock exchange	Disclosure	Growth	Timeliness
Nasdaq Helsinki	96.7% 1	40.9% 18	0.0% 32
Euronext Paris	86.7% 2	29.9% 28	57.1% 16
BMW Spanish Stock Exchanges	82.8% 3	14.5% 33	74.2% 10
Deutsche Börse	77.3% 4	66.1% 5	68.5% 12
Euronext Amsterdam	74.8% 5	46.2% 15	82.8% 7
Borsa Italiana	73.2% 6	60.6% 8	51.4% 17
Stock Exchange of Thailand	73.1% 7	36.6% 23	65.7% 13
Johannesburg Stock Exchange	72.4% 8	37.2% 22	94.2% 3
Oslo Børs	71.1% 9	32.4% 26	91.4% 4
SIX Swiss Exchange	67.5% 10	29.7% 29	77.1% 9
Australian Securities Exchange	62.6% 11	76.9% 3	97.1% 2
Euronext Brussels	62.5% 12	63.1% 7	40.0% 20
Santiago Securities Exchange	60.0% 13	66.6% 4	0.0% 30
London Stock Exchange	58.0% 14	40.7% 20	80.0% 8
Nasdaq Stockholm	54.9% 15	10.3% 34	88.5% 5

Events
Convene
Transition

Italian Sustainability Day

Following the success of the event in 2017, Borsa Italiana hosted it's 2nd Sustainability Day, endorsed by the UN SSE initiative, to raise awareness among market participants and facilitate

dialogue between issuers and investors on ESG and sustainability topics. 23 companies listed on Borsa Italiana met investors in over 100 one-to-one meetings focused on sustainability matters.

In parallel, an open conference addressed a range of sustainability topics such as ESG communication, green bonds and sustainability strategy for over 450 attendees. The event was a response the continuing trend of investors incorporating ESG factors into their investment strategies.



Overview

Corporate Sustainability Strategy

Our Markets

2018 Review
Our Services

Our People

Our Communities

Performance

Appendix

Our Services

Enabling informed investment decisions and transparent markets operations

The Group supports informed and sustainable investment decisions enabling data and information flows along the investment chain. We also provide systemically important infrastructure services that support and enable sustainable growth, from market failure prevention mechanisms and responsible investment to regulatory reporting mechanisms, through an open access approach that underpins all our operations.

HIGHLIGHTS

- FTSE Russell launched its Stewardship, Transition and Engagement program for Change ('STEP Change') and accompanying report, the 2018 STEP Change Report
- FTSE Russell launched green real estate indexes
- FTSE Russell report found the size of the investment opportunity from the transition to a green economy to be \$4 trillion of market capitalisation
- LSEG partnered with Sustainalytics to deliver greater choice for investors in integrating ESG into benchmarks and strategy

\$1.4 billion

Commitment to tracking FTSE4Good TIP Taiwan ESG Index

“Our services are in a unique position to promote good sustainability practices, as well as provide market participants with the data they need to incorporate sustainability factors into their investment strategies and business decisions”

Mark Makepeace

Non-Executive Chairman, Information Services Division and Chair of the LSEG Corporate Sustainability Committee

Impact Areas:

Disclose | Grow | Transition

Sustainable Development Goals:



Overview	Corporate Sustainability Strategy	Our Markets	2018 Review Our Services	Our People	Our Communities	Performance	Appendix
----------	-----------------------------------	-------------	-----------------------------	------------	-----------------	-------------	----------

Our Services continued

Initiative							
FTSE Russell Disclose Transition	UN Sustainable Stock Exchange Report	FTSE Russell partnered with the UN to provide data and analysis that enables the quality of ESG disclosure across exchanges globally to be assessed.	This all fed into the report 'UN SSE Report on Progress 2018' and follows on from LSEG's leadership role chairing the UN SSE Advisory Group on ESG Disclosure.	For more information on this report, see page 13.			
	Transition Pathway Initiative	FTSE Russell has partnered with The Transition Pathway Initiative (TPI), an asset owner-led initiative that assesses how companies are preparing for the transition to a low-carbon economy. The TPI uses a subset of FTSE Russell's ESG Ratings data from the Climate Change Theme to evaluate companies' management of greenhouse gas emissions and low-carbon transition efforts.	In 2018 FTSE Russell hosted a market open ceremony and the Asset Owner Climate Summit to review the latest TPI analysis and facilitate dialogue between companies and investors around the state of transition and action that can be taken by asset owners to decarbonise their portfolios.	  TPI Asset Owners Climate Summit held at LSEG in 2018			
	Stewardship, Transition and Engagement Program	In May 2018, FTSE Russell launched its Stewardship, Transition and Engagement program for Change ('STEP Change') and accompanying report, the 2018 STEP Change Report. The STEP Change initiative aims to help drive better global standards in	sustainable investment and reaffirms LSEG's commitment to promoting sustainable investment; the STEP Change report provides an in-depth review of FTSE Russell's approach to stewardship, promoting transparent ESG methodologies and	assessments. These aim to assist asset owners and asset managers in their investment decisions and help companies understand and measure their own performance against their peers.			
	Launch of FTSE Russell Report: 'Investing in the global green economy'	FTSE Russell launched the inaugural 'Investing in the global green economy: Busting common myths report', calculating for the 1st time the size of the investment opportunity from the transition to a green economy, which was found to be \$4 trillion of market capitalisation. FTSE Russell gathered and analysed data from over 14,000 companies using their proprietary Green Revenues data model.	The report highlights the growing green economy and dispels the myth that it is small, undiversified and underperforming, given that FTSE Russell's broadest green indexes have outperformed their parent benchmarks over the previous 5-year period.	 Launch of FTSE Russell Report: 'Investing in the global green economy'			
Smart Sustainability	The 5th annual FTSE Russell global institutional Smart Beta Survey, which comprised responses from approximately 200 asset owners from around the world, noted the significance of Smart Sustainability for global asset owners.	The results demonstrate strong interest in applying ESG considerations to smart beta, known as smart sustainability, with 55% of European asset owners anticipating applying ESG considerations to a smart beta strategy. The main rationale provided for ESG integration into smart beta was for societal good.	<div style="font-size: 2em; font-weight: bold; color: #f4a460;">76%</div> of European asset owners reported that their organisation is currently implementing or evaluating ESG considerations in their investment strategy				

Overview	Corporate Sustainability Strategy	Our Markets	2018 Review Our Services	Our People	Our Communities	Performance	Appendix
----------	-----------------------------------	-------------	-----------------------------	------------	-----------------	-------------	----------

Our Services continued

Initiative	
ESG Indexes Transition	<p>ESG Ratings and data model</p> <p>Since FTSE Russell launched its ESG Ratings and data model it has been used by a range of companies and investors to help measure and improve ESG practices. In 2018, the model was used by the Asia Investor Group on Climate Change (AIGCC) in a recent report, ‘Building on the base: TCFD Disclosure in Asia’ and the Taiwan Bureau of Labor Funds selected the FTSE4Good TIP Taiwan ESG Index, which uses the overall scores from the ESG Ratings, for a 5-year \$1.4 billion mandate.</p>
	<p>Gender diversity Index</p> <p>In 2018, FTSE Russell announced the launch of its FTSE Women on Boards Leadership Index Series, designed to integrate leadership in gender diversity and social impact into broad market benchmarks. The index solution increases exposure to companies demonstrating gender leadership at the board level and strong social impact.</p>
	<p>FTSE Global Choice Index Series</p> <p>The FTSE Global Choice Index Series aims to help meet rising demand from investors who want to align their values with their portfolios. These indexes assess companies based on the impact their products and conduct on society and the environment. In 2018, Vanguard Investments licensed 3 ESG indexes from the FTSE Global Choice Index Series to underlie 3 new Vanguard ESG ETFs.</p>
	<p>Green Real Estate Index</p> <p>In December 2018, FTSE Russell announced the launch of new green real estate indexes. The FTSE EPRA Nareit Green Indexes allows investors to integrate climate risk in their investment strategies in listed real estate, an asset class that historically has lacked such tools. They provide an extension to the FTSE EPRA Nareit Real Estate Index Series, a global series of leading listed real estate benchmarks which are tracked by over \$340 billion in assets.</p>
	<p>Sustainalytics Partnership</p> <p>In 2018, FTSE Russell together with Sustainalytics, a global leader in ESG and corporate governance research, ratings and analysis, announced a new strategic partnership to serve the growing demand for ESG integration into investment strategies. Through this partnership, FTSE Russell and Sustainalytics will work together to develop new FTSE Russell ESG indexes using the new Sustainalytics ESG Risk Ratings, the 1st of which is expected to launch in 2019.</p>
<p>LSEG Academy Grow</p>	<p>LSEG Academy</p> <p>As part of its mission in support of emerging markets, LSEG Academy, the training centre of the London Stock Exchange Group, developed and delivered, a bespoke series of 3 workshops for the Egyptian Stock Exchange (EGX). The programme developed EGX’s knowledge in world-leading capital market practices, technology and regulations, helping EGX to execute its strategic objectives and open its market to international investors. The training has opened new channels of partnership between the exchanges.</p> <p>LSEG Academy also held a week-long training programme to 6 Saudi Stock Exchange (Tadawul) employees. The training highlighted the most innovative approaches, tools and processes in Information Technology services, core and essential elements within an exchange system growth process. The course also offered the opportunity to discuss the application of emerging technologies such as Blockchain in the evolving capital markets landscape.</p> <p>A training programme was also delivered to Bank of China on ‘Sustainable finance: what role for corporate banking?’. The programme was delivered to a group of Bank of China senior employees including about 25 executive vice presidents from Bank of China’s oversea branches such as Hong Kong and New York.</p>

\$1.4 billion

Commitment to tracking FTSE4Good TIP Taiwan ESG Index

\$340 billion

Tracking the FTSE EPRA Nareit Real Estate Index Series



LSEG Academy delivers training for the Egyptian Stock Exchange



Overview

Corporate Sustainability Strategy

Our Markets

Our Services

2018 Review

Our People

Our Communities

Performance

Appendix

Our People

Recruiting and developing diversified talent to fulfil their potential

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

HIGHLIGHTS

- LSEG signed 'Time to Change' employers pledge
- LSEG implemented the Group Career Framework to facilitate employee career development
- WIN launched in Sri Lanka and Malaysia

580

Over 580 employees benefited from Sharesave maturities in 2018

150

Over 150 interns joined us across 6 countries

“Our people are the heart of everything we do at LSEG. They embody our values of Integrity, Partnership, Innovation and Excellence which drive our business forward. We believe the continued development and engagement of our colleagues is vital to the delivery of our strategy”

Tim Jones

Group Director of Human Resources

Impact Areas:

Develop

Sustainable Development Goals:



Overview	Corporate Sustainability Strategy	Our Markets	Our Services	2018 Review Our People	Our Communities	Performance	Appendix
----------	-----------------------------------	-------------	--------------	---------------------------	-----------------	-------------	----------

Our People continued

Initiative							
Diversity and Inclusion Develop	Summary Beliefs and Strategy	LSEG values diversity and equality in the widest sense and recognises them as key drivers for development and innovation. Diverse teams create opportunity, mitigate risk and act as a catalyst for new ideas.	As such, we strive to be an employer of choice for a diverse range of talent. To do this, we have implemented our Diversity and Inclusion strategy.	We currently brief all recruitment partners about our diversity agenda and by 2020, we aim to achieve a stretch target of 40% female representation for senior management and our overall staff numbers.			
	Work of the Diversity and Inclusion Committee	The Diversity and Inclusion (D&I) committee is chaired by our Chief Risk Officer and meets quarterly to review strategy and progress. We continue to ensure that our culture creates an environment where all feel welcome at LSEG.	All colleagues participate in unconscious bias training when they join as part of their onboarding.				
	Armed Forces Covenant	LSEG signed the Armed Forces covenant in 2017, an assurance that those who serve or served in the armed forces, and their families, will be treated fairly and not disadvantaged. In support of this in 2018, LSEG sponsored The Business of the Year-Start Up award and in October hosted a Market Open to celebrate the charity, X-Forces Enterprise (XFE).	In the past 5 years XFE has supported over 1,250 community members in starting and building their own businesses, and run training, events and mentoring programmes. In addition, LSEG sponsored the Christmas Carol Concert at St Columba's Church in aid of Supporting Wounded Veterans, and took part in the annual Poppy Appeal organised by the Royal British Legion with donations matched by LSEG Foundation.				
Employee Development and Wellbeing Develop	Employee Engagement	An engaged workforce is critical for our continued success, and we remain committed to building a high performing culture where our people can thrive. Our 'Have Your Say' engagement survey provides all colleagues with an opportunity to share their views on what it is like to work at LSEG. In October 2018, we achieved a response rate of 76%, ensuring that we have a highly representative and robust baseline to drive meaningful actions across the Group.	Our Executive Committee have committed to lead work at the Group level to address those areas which they believe will increase employee engagement, support collaboration and provide our people with an environment that allows them to develop their careers at the Group. We have 4 key areas of focus: 1. Vision, purpose and strategy – providing regular updates on the Group's progress to ensure all colleagues understand our vision, purpose and strategy and how they contribute to it.	2. Collaboration – fostering an environment that encourages greater cross-Group collaboration, providing regular updates, sharing and rewarding best practice. 3. Leadership – continuing to develop leadership and management capabilities to better manage performance and development of our colleagues globally. 4. Career Development – recognising outstanding performance, supporting career development, promoting an inclusive culture and the general wellbeing of our colleagues.			
	Group Career Framework	As we continue to develop our culture, we place equal emphasis on what is delivered and how it is delivered. The Career Framework, which we launched in 2018, has allowed us to calibrate individual performance against like skilled peers, and we continue to increase the data available for performance assessments including 360-degree feedback for Executive Committee members and 'Have Your Say' feedback for Managing Directors.	Our global Career Framework, Futures, was launched across all our divisions in 2018. Futures is fully transparent showing what skills, knowledge and behaviours are required for every role in the organisation from entry-level Associate roles right through to the roles on our Group Executive Committee. The launch of Futures is an important milestone for LSEG, providing clarity for all colleagues through a single consistent framework describing the	knowledge and skills required, as well as introducing the LSEG behaviours. Futures will help us to increase internal mobility, and create more opportunities for cross-divisional moves, all of which supports our agenda to retain as well as attract talent to the Group.			

Overview	Corporate Sustainability Strategy	Our Markets	Our Services	2018 Review Our People	Our Communities	Performance	Appendix
----------	-----------------------------------	-------------	--------------	----------------------------------	-----------------	-------------	----------

Our People continued

Initiative

Employee Development and wellbeing continued
Develop

Wellbeing

Following feedback from our ‘Have Your Say’ survey, we created an approach to wellbeing which spans 5 areas: financial, mental, physical, social purpose, and work-life balance. In May 2018 we launched the LSEG Wellbeing Survey to allow us to tailor our strategy to best suit our colleagues. We remain committed to fostering a positive culture of wellbeing at LSEG and this will continue to be a key area of focus for the Group in 2019. Our Global Mentoring Programme has connected 800 colleagues across divisions and functions. We have also taken steps to improve access to working flexibly for all colleagues. Our Workplace Choice programme has been phased from 2018 into 2019 with positive feedback on productivity, team relationships, client service, engagement and work-life balance.

We also signed the ‘Time to Change’ Employer Pledge in 2018, confirming our commitment to supporting colleagues in changing the way we act and think about mental health at work. This was reflected in the program of events we ran throughout the year, including the Wellbeing Speaker Series where specialists in Sleep, Resilience and Nutrition shared their experiences with colleagues.



LSEG signs Time To Change Employers Pledge

Colleague Forum

Providing colleagues with the opportunity to meet with the Group’s leaders to raise questions and ultimately shape the future success of LSEG is important to us. To facilitate this, we have a variety of colleague forums, employee engagement committees and representative bodies in place globally.

The Forum meets on a regular basis to discuss and provide input to a number of key business initiatives and business change programmes. These include people-focused initiatives, such as contributing to the launch of LSEG’s Wellbeing programme.

In 2016, the UK Colleague Forum launched ACTIVE, a directory of clubs and groups available to London-based employees. Work is underway to bring together the activities currently overseen by the LCH Sports & Social Club with those of ACTIVE so that clubs and groups are available to employees are streamlined and available across the entire Group.

Sri Lanka has an employee engagement forum that meets regularly to discuss and progress their employee engagement plan, whilst France and Italy-based colleagues are represented by the Works Councils and Trade Unions respectively, all of which hold regular meetings on important business initiatives.

Rewards and Sharesave

The Group’s reward strategy focuses both on the short term, through an annual bonus scheme linked to our global performance management approach, and on the Group’s medium-term performance through share schemes aimed at senior management and all staff. The Long-Term Incentive Plan, details of which can be found in the Group’s Annual Report on page 92, aligns the performance and reward of our senior management team with long-term performance and growth of the Group.

Our employee share ownership scheme, Sharesave, is available to all permanent employees across France, Hong Kong, Italy, Malaysia, Sri Lanka, and the UK and US. Colleagues can save up to £500 or equivalent per month, with the option, after 3 years, of using their accumulated savings to buy LSEG shares.

During 2018, over 580 employees across 5 countries benefited from Sharesave maturities including share price appreciation of c.120%, reflecting the Group’s performance over the 3 years of the plan. Participation was extended further, with almost 1000 employees joining the 2018 scheme, which increased overall participation to 54% of eligible employees.

580

Over 580 employees benefited from Sharesave maturities in 2018



Overview	Corporate Sustainability Strategy	Our Markets	Our Services	2018 Review Our People	Our Communities	Performance	Appendix
----------	-----------------------------------	-------------	--------------	---------------------------	-----------------	-------------	----------

Our People continued

Initiative

Staff Training Develop

Learning and Development

Throughout 2018, our Learning Management system, The Learning Exchange, successfully delivered blended development solutions across all LSEG locations including our recently opened Bucharest office. The Learning Exchange reaches all LSEG colleagues globally, enabling them to access content and to sign up to attend courses.

We tailored our core offerings to meet business and audience needs, focusing on supporting line managers throughout the colleague life cycle, with an emphasis on managing change, coaching and developing their teams.

A practical and flexible delivery approach was adopted throughout 2018, maximising colleague impact through providing real-time, in-house delivered webinars, and courses delivered by video conference in addition to our face to face courses – enabling colleagues from every single LSEG location to be able to participate and encouraging colleagues to take ownership of their career. Every line manager was supported with face to face sessions centred around the rollout of our 1st Group-wide Career Framework.

Our mandatory training modules were designed to drive an inclusive culture and behavioural impact. Line managers received a dedicated module enabling them to proactively manage the colleague experience from on-boarding to exit. Every new line manager also completed an online module raising awareness of unconscious bias.

Graduate and Internship programmes

Our Graduate and Early Career Programme continues to support the Group's growth, talent pipeline and diversification. The Group now has almost 100 graduates on programmes globally, hosted over 150 internships across 6 countries this year and built presence in new locations such as Malaysia and Romania.

Across the year events were held to encourage women into finance and technology, resulting in 44% female representative across the global graduate and intern classes.

The Early Career Programme also supports the Group's culture by assessing candidates alongside our values and behaviours, while facilitate volunteering days for interns and graduates, to show our commitment to local communities.

In 2019, we will pilot a Spring week programme aimed at 1st years studying STEM (science, technology, engineering and mathematics) subjects.



2018 UK Graduate cohort

Compliance Training

Given LSEG's role at the heart of capital markets, and the Group's reliance on the analytical skills and decision-making capabilities of its employees, adherence to the highest behavioural standards is key to ensuring the quality of our product and service offering. The principles of the Group's Code of Conduct are embedded into the Group's operations through a series of policies that are enforced through periodic training and auditing.

This year, the Group's compliance training programme has covered the following policies:

Training	Coverage	Completion Statistics
Data Protection (GDPR)	All Staff	100%
Group Physical Security	All Staff	100%
Financial Crime & AML	All Staff	100%
Preventing Bribery & Corruption	All Staff	100%
Information Security (& Cyber risk)	All Staff ¹	100%
Conflicts of Interest	All Staff ¹	100%
Introduction to LSEG Policies	New Joiners	100%
Unconscious Bias	New Joiners	100%
Competition Law	New Joiners	100%
LCH Incident Management	All LCH Staff	100%
EU Benchmark Regulation	All FTSE Russell Staff	100%
Security Awareness for Privileged Access Users	All IT Development Staff	100%
Handling Client Complaints & Queries	All ISD staff	100%

1. Not including Italy



Overview	Corporate Sustainability Strategy	Our Markets	Our Services	2018 Review Our People	Our Communities	Performance	Appendix
----------	-----------------------------------	-------------	--------------	---------------------------	-----------------	-------------	----------

Our People continued

Initiative

<p>Health and Safety Develop</p>	<p>Health and Safety</p>	<p>This year, the existing electronic workstation assessment system was developed further to incorporate General Data Protection Regulation (GDPR) and new corporate requirements. A new flexible working module was also added to reflect the continuing Group focus on enabling flexible working. This updated assessment process is now being rolled out globally to bring consistent training, advice, guidance and equipment to staff working across the Group.</p>	<p>Focus has also been directed towards near-miss reporting, with the aim of eliminating possible safety hazards in the workplace where incidents have occurred, which have not led to actual injury, but could have done so. A series of talks are being arranged with staff and contractors to focus on better near-miss reporting.</p> <p>In 2018, an accessibility audit was undertaken across the UK properties to provide guidance on areas that would need focus to better support those working with disability.</p>	<p>A strong focus has been placed on improving safety when contractor works are undertaken in Group premises, going forward, a new electronic permit system will be in place to provide a platform to process, assess, approve and monitor contractor works. The system will process the required Risk Assessment Method Statement (RAMS), to ensure that all contractor works undergo a suitable and sufficient risk assessment.</p>																									
<p>Our People in Numbers Develop</p>	<p>The Changing Employee Landscape</p>	<p>On 31 December 2018, the Group employed 4,587 employees, down 6.5% from the end of the previous reporting period, mainly due to the disposals of Exactpro and MillenniumIT ESP, completed at the start of 2018. On an organic basis, we can report on the following KPIs:</p>	<table border="1"> <thead> <tr> <th>Employee-based indicators</th> <th>2018</th> <th>2017</th> <th>2016</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>New Hires</td> <td>978</td> <td>1,228</td> <td>1,055</td> <td>1,010</td> </tr> <tr> <td>Voluntary turnover</td> <td>11%</td> <td>10%</td> <td>6%</td> <td>10%</td> </tr> <tr> <td>Permanent contracts</td> <td>98%</td> <td>97%</td> <td>98%</td> <td>96%</td> </tr> <tr> <td>Fixed term contracts</td> <td>2%</td> <td>3%</td> <td>2%</td> <td>4%</td> </tr> </tbody> </table>	Employee-based indicators	2018	2017	2016	2015	New Hires	978	1,228	1,055	1,010	Voluntary turnover	11%	10%	6%	10%	Permanent contracts	98%	97%	98%	96%	Fixed term contracts	2%	3%	2%	4%	
Employee-based indicators	2018	2017	2016	2015																									
New Hires	978	1,228	1,055	1,010																									
Voluntary turnover	11%	10%	6%	10%																									
Permanent contracts	98%	97%	98%	96%																									
Fixed term contracts	2%	3%	2%	4%																									
<p>Gender Pay Gap Report Develop</p>	<p>Gender Pay Gap Report</p>	<p>At LSEG, we recognise that the combined qualities of a diverse group of colleagues and a commitment to equal opportunity for all is key to strengthen our performance as an innovative, customer-focussed and collaborative organisation. LSEG is fully committed to industry wide gender balance which is one key area of focus of our diversity programme.</p>	<p>In line with UK requirements, we published our 2nd Gender Pay Gap Report in March 2019.</p> <p>While we do not differentiate pay between men and women for equivalent roles, there is an under representation of women in senior roles, which directly impacts the gender pay figures.</p>	<p>We are committed to improving diversity and developing our inclusive culture at LSEG. In doing so, and by increasing our representation of females at leadership levels, we expect to see an improvement in our figures in the coming years. To reinforce our actions, each Executive Committee member has a shared strategic objective to increase diversity and divisional targets by focussing on attraction, recruitment, development, retention and progression at all levels.</p>																									

Overview

Corporate Sustainability Strategy

Our Markets

Our Services

2018 Review

Our People

Our Communities

Performance

Appendix

Our People continued

Women Inspired Network (WIN)

LSEG's Women Inspired Network (WIN), now in its 4th year, continues to nurture female talent at all levels across our offices in Canada, France, Italy, Malaysia, Sri Lanka, the UK and US. WIN is composed of 3 Pillars, Winning Communities, Winning Networks and Winning People. Local sub-committees of active volunteers organise initiatives across the 3 pillars and connects the network globally to ensure LSEG remains an employer of choice for women and men.

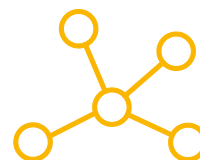


WIN Pillars



Winning Communities

We aim to inspire female leaders of the future. WIN has worked with local groups across the world such as Blue Engine Teaching Apprentices (BETA) in New York, Italy's Young WINners program and WIN UK partnered with the East London Business Alliance (ELBA) to help inspire the next generation of girls to enter a career in the sector.



Winning Networks

We aim to build relationships with other diversity networks and increase networking opportunities for WIN members, for example, through our membership in the London Women's Forum.



Winning People

We aim to nurture talent within the business and provide all employees with the best chance of succeeding in their career through relevant events, such as on International Women's Day and the centenary of women gaining the vote in Britain, WIN profiled more than 100 women from across our business divisions and global locations on digital screens across all offices.

WIN Americas

WIN Americas hosted a Q&A series with female leadership across the Group in the 1st WIN Leaders in the Spotlight panel. The event showcased not only the argument for diversity in leadership but actionable advice that managers and employees can implement to drive change towards a more include and diverse organisation. Internally, WIN members were invited to 'own their success' by attending WIN Fort Mill's series of sessions on career guidance and financial planning.

WIN Italy

In March, WIN Italy in collaboration with the UK Embassy in Italy and Freshfields hosted the inaugural Italian Women in Finance Awards. The initiative aims to celebrate female talent and diversity in the finance industry in Italy. In addition to rewarding successful female professionals, the awards recognise companies that have created an environment where successful female role models are acknowledged within their organisations and consistently support diversity in its broadest sense. Other notable initiatives include WIN Italy's series focused on financial, mental, physical wellbeing and social purpose.

WIN Malaysia

WIN Malaysia launched at the end of 2018, hosting its 1st event to introduce the Global WIN network to colleagues in Malaysia and run icebreaker sessions.

WIN Sri Lanka

WIN Sri Lanka launched in April 2018 with its inaugural session hailed by those attending as ground-breaking by enabling a frank, open discussion on gender issues and their direct impact on colleagues. In its 1st year, WIN Sri Lanka saw one of its members winning the Gold Award in the Information Technology category at the Top 50 Professional and Career Women Awards 2018. WIN Sri Lanka remains heavily involved with Tech industry initiative Diversity Collective Lanka to drive women's empowerment within the Group and LSEG's wider community.

WIN UK

WIN UK partnered with the East London Business Alliance (ELBA) to help inspire the next generation of girls to think about their future careers, particularly in Finance and Technology. The WIN UK campus initiative hosted a series of events for female students from various universities, designed to provide networking opportunities and inspire young women to pursue careers in Finance and Technology. Over the summer, WIN UK hosted work experience students from Mulberry School for Girls and Clapton Girls Academy. The 1st WIN networking session for AIM professional advisors took place in 2018 and was attended by over 40 representatives from across our nominated advisers.



Our Communities

Empowering people, enriching communities

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

HIGHLIGHTS

- LSEG Foundation donated £1.3 million to charities in 2018
- Crée Ton Avenir was chosen as the new LSEG France Partner Charity
- Caf Onlus was chosen as the new LSEG Italy Partner Charity

£105,000

raised by LSEG employees and Foundation Matching

“As a global business, we recognise the need to support and develop local communities where we have significant presence, as well as promote sustainable practices”

Diane Côté

Chief Risk Officer and Chair of LSEG Foundation

Impact Areas:

Sustain

Sustainable Development Goals:



Overview	Corporate Sustainability Strategy	Our Markets	Our Services	Our People	2018 Review Our Communities	Performance	Appendix
----------	-----------------------------------	-------------	--------------	------------	---------------------------------------	-------------	----------

Our Communities continued

Initiative							
Partner Charities Sustain	LSEG Foundation	LSEG Foundation	LSEG Foundation was established in 2010 to be the single channel for the Group's charitable giving and a focal point for staff engagement with charities. Its core mission is to empower people and enrich communities.	The Foundation is a grant-making charitable body, focusing on projects that help young and disadvantaged people reach their full potential by developing life skills and business acumen. It places focus on entrepreneurship, encompassing the communities in which the Group has a significant number of employees.	In 2018, LSEG Foundation's approach and positioning was reviewed to further align it with the overall Group CS Strategy and to also recognise the importance of volunteering by LSEG employees to enhance the impact of our charitable giving. More information on the Foundation's strategy can be found on page 27.		
		Global Partner – UNICEF	UNICEF has been LSEG's global charity partner for over 20 years. A key project between LSEG and UNICEF is <i>Zambian Girls 2030</i> , which aims to equip more than 11,000 Zambian girls with	employability skills and help them access formal employment in Zambia.	LSEG also contributes to the UNICEF UK Children's Emergency Fund.		
		UK Partner – School-Home Support	School-Home Support provides support to children and families to overcome barriers to education and improve engagement in learning and attendance. 2018 marked the 1st year of LSEG's 3-year partnership with the charity.	During the year, LSEG have led a range of sessions led by LSEG staff with young people from local schools to gain insight into work, provided careers support for parents seeking employment, as well as fundraising.			
		US Partner – City Harvest	2018 marks the 2nd year of the Foundation's 3-year partnership with City Harvest, New York City's largest food rescue organisation, helping to feed the more than 1.2 million New Yorkers who are struggling to put meals on their tables.	Colleagues in New York this year continued to support City Harvest, a programme that rescues excess food and delivers it to the hungry. LSEG's support in 2018 provided more than 150,000 lbs of food for 350 families and allowed 34,000 people to take part in a nutrition education course.	Staff also joined the City Harvest Skip Lunch event, where employees donated the money they would usually spend on lunch to help feed hungry children. The funds raised by LSEG employees provided enough food to feed over 700 children throughout summer 2018.		
	Current France Partner – Unis-Cité	Unis-Cité's purpose is to bring young people who have dropped out of school back to education or to employment, to increase their chance of acquiring autonomy, stability and wellbeing in the future.	The Booster programme is steered by the French Ministry for Education and the Civic Service Agency. The aim is to develop internal and external competencies, such as self-confidence, interpersonal skills, computer proficiency, team work and mathematics.	In May a mentoring day was held where volunteers coached young people to help develop their skills and in June volunteers conducted mock interviews to help them prepare for finding employment.			

Lister Community School World of Work day at LSEG

Overview	Corporate Sustainability Strategy	Our Markets	Our Services	Our People	2018 Review Our Communities	Performance	Appendix
----------	-----------------------------------	-------------	--------------	------------	---------------------------------------	-------------	----------

Our Communities continued

Initiative	
Partner Charities continued Sustain	Future France Partner – Crée Ton Avenir Crée Ton Avenir focuses on reducing the impact of disadvantaged backgrounds on students' education and future careers. This 3-year partnership will start in 2019 and help Crée Ton Avenir broaden its scope to reach many more students, helping them identify their core competencies and regain self-confidence.
	Current Italy Partner – COMETA COMETA's mission is to help at-risk students develop the technical and soft skills required to enter the job market or higher education, after achieving a professional qualification. In 2018, 24 LSEG volunteers supported 50 students to further their education, acting as mentors for skills such as communication, finance, mathematics and English. In addition, through face-to-face meetings and video calls, the mentors provided interview practice, case studies and worked on business plans with the students.
	Future Italy Partner – Associazione CAF Onlus CAF Onlus, a charity that provides support and aid for abused minors and distressed families, was announced as LSEG's new Italy Charity Partner in 2018. The 3-year partnership will begin in May 2019.
Regional Charitable Giving and Volunteering Sustain	UK Charity Touch Rugby Tournament LSEG organised the 4th annual touch rugby tournament in 2018 in partnership with the Harlequins Foundation, a charity that aims to use the power of sport to create opportunities for young people in local communities. This year the tournament raised more than £37,000 and involved 26 companies from across the City of London. Zurich to Milan Cycle Challenge 15 colleagues from across the Group undertook a demanding cycle challenge, riding 550 kilometres from Zurich to Milan over 4 days. The ride crossed the Alps including 2 ascents of the infamous Stelvio Pass and finishing outside the Borsa Italiana office in Milan. The event raised over £40,000 for UNICEF once fund matching by LSEG foundation was applied.
	US Junior Achievement Junior Achievement's mission is to inspire and prepare young people to succeed in a global economy. During the school year, Fort Mill employees are actively engaged in volunteer activities to educate local elementary and middle school students about workforce readiness, entrepreneurship and financial literacy through hands-on programs.
	Italy Officine Buone Many donations have been made to Italian charities, such as €15,000 to Officine Buone, a non-profit organisation that creates innovative programmes to allow young people to gain experience by volunteering in environments like hospitals and promotes young entrepreneurship projects through art, music and theatre.



Team LSEG play at the Charity touch Rugby Tournament


[Overview](#)
[Corporate Sustainability Strategy](#)
[Our Markets](#)
[Our Services](#)
[Our People](#)
[2018 Review
Our Communities](#)
[Performance](#)
[Appendix](#)

Our Communities continued

Initiative

Regional Charitable Giving and Volunteering continued Sustain

France

l'Étoile de Martin

Colleagues in LCH S.A. held 2 bake sales for Children's Cancer research charity, l'Étoile de Martin. The charity also organises events for young patients and offers support to them and their families.

Sri Lanka

Micro-volunteering

In 2018, several micro-volunteering events were organised to benefit local communities. Examples of these initiatives include fundraising to purchase a portable ventilator for the national hospital of Sri Lanka, a children's coding club to introduce the

basics of coding at an early age, organising a blood donation drive to address the shortage at the National Blood Transfusion Service and participating in a city clean up in Colombo.

Overview	Corporate Sustainability Strategy	Our Markets	Our Services	Our People	2018 Review Our Communities	Performance	Appendix
----------	-----------------------------------	-------------	--------------	------------	---------------------------------------	-------------	----------

Our Communities continued

Community Contributions from the Group in 2018

Based on the London Benchmarking Group (LBG) methodology, we report our donations and other factors that reflect the Group's overall engagement with our communities.

In 2018, the Group made an overall donation to LSEG Foundation of £1,254,000 which is 12% higher than 2017. An additional £207,000 was donated directly to charities by the Group, bringing total donations to £1,461,000, 19% higher than 2017 spending. The 2018 Charity Trading Day raised £616,000, 21% higher than 2017.

Principal sources of funding 2018

Employees	Employees make donations and organise fundraising events
Foundation Day	The Group donates the equivalent of all equity trading fees raised on London Stock Exchange, Turquoise and Borsa Italiana during the annual Foundation Day
Corporate	The charitable donations from other companies in the Group contribute to the Foundation's donation pool
Fines	Money received through fines levied by the Group

LSEG community investment charitable donations	2018 £'000	2017 £'000	2016 £'000
Donations to LSEG Foundation	1,254	1,122	962
Donations to charity	207	107	133
In-kind donations	143	136	153
Management costs	194	238	218
Total	1,798	1,603	1,466

How LSEG Foundation's strategy aligns to our business priorities

Empowering people. Enriching communities.

Foundation Priorities

1. Help young people realise their potential, despite their situation or disadvantage
2. Help more young people access the job market, overcoming barriers posed by their condition
3. Help more young people aspire to become entrepreneurs, as a way of expanding their life opportunities

Business Priorities

1. Delivering best in class capabilities
2. Developing a partnership approach
3. Driving global growth

Encouraging growth. Expanding opportunities.

In 2018, LSEG Foundation Committee set out a list of strategic priorities for 2019-2022, supported by an action plan based on 4 focus areas: i) Maintain deep alignment with our mission; ii) Encourage colleagues' engagement and enhance a culture of collaboration; iii) Invest in business inclusion and entrepreneur skills; iv) Invest in bringing LSEG philanthropy programme alive. These 4 priorities support and sharpen the overarching LSEG Foundation strategy, set out above.

We also identified a further 3 elements connected to our community engagement: in-kind donations, free venue hire for charities at our premises in the UK and Italy; management costs, the cost of time of the managers involved in our Board of Trustees; and, charity committees across the Group, our Foundation's programme office and the corporate functions that support staff engagement programmes.

Donations from LSEG Foundation

Total grants approved and paid amounted to £1.3 million (2017: £1.4 million). In addition to grants to partner charities across France, Italy, the US and the UK, and the major grant to the Group's global partner charity UNICEF, 50 grants for charities were identified and put forward to LSEG Foundation by LSEG employees across Australia, France, Italy, Sri Lanka, the UK and the US. This amount included small grants disbursed as part of the LSEG Staff Matching scheme, which doubles employee-raised funds up to £2000 (€2000 in Italy) per year, per person. In 2018, £105,000 was raised by our employees and matched by LSEG Foundation.

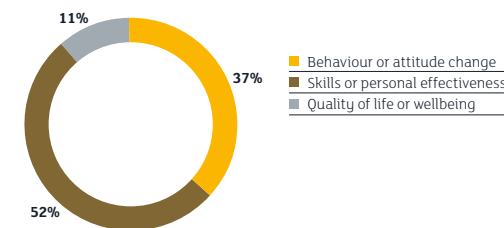
Impact reporting

Given the bottom-up approach adopted for the selection of projects for local charitable grants, this year we have placed particular importance on the measurement of our donations' impact and their consistency with LSEG Foundation's cause. Based on the LBG impact reporting framework, we ask charities to report on 3 types of impact to help aggregation across different project categories.

- 
1. Behaviour or attitude change
 Has the activity helped people make behavioural changes that can improve their life or life chances or has it challenged negative attitudes or preconceptions, enabling them to make wider, different or more informed choices?
- 
2. Skills or personal effectiveness
 Has the activity helped people to develop new, or improve existing, skills to enable them to develop in the workplace, academically or socially?
- 
3. Quality of life or wellbeing
 Has the activity helped people to be healthier, happier or more comfortable (e.g. through improved emotional, social or physical wellbeing)?

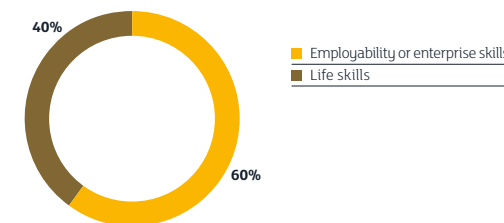
89% of LSEG Foundation grants were directed to projects that are in line with LSEG Foundation's mission, called 'impact areas'. Those aimed at behaviour or attitude change, termed 'raised aspirations', 37%, or at the development of skills and personal effectiveness, 52%. The small percentage of 'Quality of life or well-being' donations equivalent (11%) is in response to emergencies (UNICEF Children's Emergency Fund).

Impact of LSEG Foundation grant on beneficiaries



Within impact areas 1 and 2 ('Behaviour or attitude change' and 'Skills or personal effectiveness'), donations are perfectly aligned with our mission.

Target skills to be developed with our donation









60% of the donations are aimed at increasing the employability of the beneficiaries or at developing financial or business skills, for which the UNICEF Zambia project plays a large role. 40% is focused on developing life skills.



Overview	Corporate Sustainability Strategy	Our Markets	Our Services	Our People	2018 Review Our Communities	Performance	Appendix
----------	-----------------------------------	-------------	--------------	------------	--------------------------------	-------------	----------

Looking ahead

As our business expands and diversifies, we continue to review our approach to sustainability. In the coming year, as part of a strategic approach based on 6 revised impact areas, we plan to promote sustainable business that underpins the UN Sustainable Development Goals and links with our pillar sections in the following ways:

Pillar	Impact area	Objective	SDGs supported ¹
Our Markets Our Services	Grow Convene Disclose Transition	<ul style="list-style-type: none"> Convene the investment industry to discuss and progress solutions for the transition to a sustainable and low carbon economy from across our business division and determine consensus to influence regulatory developments in our clients' interest Scale up our offering for the promotion of SMEs' access to funding and help them bridge the gap to long-term financing; build on the ELITE initiative, our AIM market and the 'Companies to Inspire' series; and address the needs of developing markets including the development of vital market infrastructure Develop and launch further initiatives to promote disclosure among issuers Development of new products that add new tools supporting the transition to a sustainable and low carbon economy and related capital flows 	    
Our People Our Communities	Develop Sustain	<ul style="list-style-type: none"> Deliver the Foundation action plan aligned with the revised strategy Review and achieve target for staff involvement in volunteering across the Group Upgrade our environmental management governance and work towards the science-based environmental targets Work towards the achievement of the Group wide 2020 gender diversity targets and consider extension of diversity programme beyond gender² 	   

1. The Sustainable Development Goals (SDGs) identified here are those considered material for exchanges by the Sustainable Stock Exchanges initiative.

2. Ongoing delivery.



London Stock Exchange Group celebrates
LSEG Foundation Day 2018



LONDON STOCK EXCHANGE GROUP
Empowering people. Enriching co



Part 3

Our overall Corporate Sustainability performance





Data Reporting Overview

“Positioned between issuers and investors, and supporting each, we have a unique role to aid understanding and information flows across capital markets that enables sustainable Investment and ESG integration. We actively support evolving global ESG reporting standards and our own reporting ambitions must reflect the high standards we advocate”

David Harris

Group Head of Sustainable Business

It is becoming a norm that investors consider the ESG performance of a company alongside other financial and strategic information within their investment process. As a leading international markets infrastructure provider, we are keen to promote high ESG standards and ESG data that is reliable, consistent and comparable across industries.

Considering this, we are committed to reflecting best practice in our own reporting. We conduct materiality reviews before reporting to identify the important material standards and materials to adopt for LSEG. We reference our own ESG Reporting Guidance which are based on globally recognised standards. We also draw

from a range of international frameworks and standards, many of which interrelate, including FTSE Russell's ESG methodology, GRI Standards, Sustainability Accounting Standards Board indicators, CDP and the UN Sustainable Stock Exchanges initiative. Please see the Appendix for a summary of LSEG data for the quantitative ESG data points recommended in our ESG Reporting Guidance.

Based on these reporting frameworks, the following sections outline a set of indicators, divided across Environmental, Social and Governance areas, which we will continue to build on over time as our approach evolves further.

While we expand as a Group integrating acquired businesses and through joint ownership initiatives, we align our values and incorporate them into our ESG reporting mechanisms. Acquisitions and Group companies where we have below 100% ownership add complexity to reporting ESG data, thus we have set out how we have calculated Group-wide data in the relevant sections.

About this report

1. Scope and time frame

This report covers 100% of the businesses over which LSEG has operational control (all legal entities in which LSEG has a 51% stake or higher) employing the same principles as for financial data. For a list of all the subsidiaries consolidated and covered in the report, please see our Annual Report, pages 149–150. When a different boundary applies to ESG data, we provide explanations in the relevant section. Time frame matches the time period for the Annual Report.

2. Verification and approval

All data included in this report has been submitted to an internal verification process. Environmental, diversity and cash donation data has also been externally verified. The external verification statement for the environmental data is published on www.lseg.com/home/about-london-stock-exchange-group/corporate-responsibility/environment. This report was approved by LSEG Board in February 2019.

3. Data provision

We provide both raw and normalised data where relevant (see Environment section), and wherever possible we provide 3-year time series of comparable data.

Our ESG practices are measured by a variety of assessments including performance indices and benchmarks. These assessments provide useful input to benchmark against global best practices and to plan for improvements in our sustainability approach.

Assessment	Benchmark	2018	2017	2016	2015
FTSE4Good' (also used for the FTSE4Good Series)	ESG Rating Absolute Score (5 – Highest)	–	4.6	4.5	3.8
	ESG Rating ICB Supersector Relative Percentile Score (100 – Highest)	–	99	100	99
	Pillar Exposure (3 – Highest)				
	Environmental	–	1.0	1.0	1.0
The FTSE4Good Index Series is designed to identify companies that meet globally recognised ESG standards	Social	–	2.0	2.0	2.0
	Governance	–	2.3	2.3	2.3
	Pillar Score (5 – Highest)				
	Environmental	–	5.0	5.0	5.0
Dow Jones Sustainability Index (DJSI)	Social	–	4.3	4.5	3.2
	Governance	–	4.7	4.3	3.9
	Total sustainability company score (Percentile Ranking) ²	59 (83rd)	65 (89th) ³	69 (83rd)	61 (80th)
	Economic	59 (83rd)	67 (91st)	77 (88th)	68 (76th)
DJSI tracks the financial performance of the leading sustainability-driven companies worldwide	Environmental	65 (83rd)	81 (91st)	83 (97th)	73 (91st)
	Social	55 (85th)	54 (84th)	50 (78th)	46 (76th)
CDP	Overall score	A-	A-	A-	99B
CDP, formerly known as the Carbon Disclosure Project, runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts. We were scored in the 'leadership' bracket for the 5th year running, highlighting the steps LSEG has taken which represent best practice in the field of environmental management					
MSCI	Overall score	A	A	A	A
MSCI rates and analyses environmental, social and governance-related business practices of companies worldwide					

1. For FTSE Russell ESG Ratings 2018 scores have not been published yet.

2. A higher percentile indicates a higher score and better performance.

3. As of 2018, results reflect a major scoring methodology update. For year on year comparison, 2017 results have been recalculated.



Overview	Corporate Sustainability Strategy	2018 Review Our Markets Our Services Our People Our Communities	Performance	Appendix
----------	-----------------------------------	--	-------------	----------

Environment

LSEG recognises that we must use resources in ways that ensure the long-term sustainability and profitability of the business and have a positive impact on the environment. This is significant in ensuring our own operations are efficient, sustainable and responsible, as well as developing products and services that support these aims through companies listed on our markets.

The Group's primary environmental impacts arise from our offices and data centres that host nearly 5000 employees around the world, from staff travel and, indirectly, from our supply chain. We are aware of the risks and opportunities of climate change for our business and our clients, and the need to adapt our operations to prepare and take advantage of these.

The reporting period was the Group's 5th year of setting and reporting against environmental targets. In 2017 we set science-based targets for our Scope 1 and Scope 2 emissions, which inform our annual environmental targets set each year by our Environmental Management Group (EMG). In 2018, we have exceeded our 5% reduction in total carbon emissions target and have met most key environmental impact targets. We recognise we have work to do on our Business Travel environmental targets, for both Rail and Air Travel, and this will be a focus of EMG's efforts in 2019.

Further explanation and details of our progress are outlined on the following pages.

Group reporting boundaries

LSEG uses the 'Operational Control' boundary for our Greenhouse Gas (GHG) and environmental reporting. An organisation has operational control if it has, or its subsidiaries have, the full authority to introduce and implement its operating policies, including health, safety and environmental policies, within the operation. This approach accounts for 100% of emissions from facilities, operations and vehicles (whether leased or owned) over which LSEG has operational control.

The tables on the following pages summarise our relevant environmental disclosure based on CDP, GRI and FTSE Russell ESG indicators. LSEG have affirmed their commitment to support Task Force on Climate-related Financial Disclosures (TCFD) recommendations and sees them as an important step in driving improved global consistency in voluntary reporting standards.

Methodology and verification

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

The Scope 1, 2 and 3 emissions disclosed here, and in the Directors' and Strategic Reports have been externally verified by SGS against the requirements of the WRI/WBCSD GHG Protocol – Corporate Accounting and Reporting Standard. Conduct of the verification met the requirements of ISO 14064-3:2006. Full details and the verification statement are available on our website.

Our emissions are calculated using GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and UK Government Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance. We use DEFRA UK Government GHG Conversion Factors for our UK sites, and for extrapolated data, business travel, water and waste. Local GHG Protocol emissions factors are used to calculate energy emissions for international sites where available.

Managing our environmental impact

Our EMG guides the Group's environmental strategy, and is responsible for setting Group-wide targets, and managing and continually seeking to improve our environmental performance. The EMG reports performance quarterly via our Intranet and annually discloses verified emissions on our website, in our CS and Annual Reports, and in response to CDP, FTSE4Good and DJSI. Its responsibilities also include:

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

David Warren, the Group's CFO, reports to the Board on environmental issues.

HIGHLIGHTS

3rd

Consecutive year as Platinum Award Winners at London Clean City Awards 2018

5th

Consecutive year of recognition as an environmental leader by CDP

-16%

Overall carbon footprint per Full Time Employee (FTE)

-18%

Absolute carbon emissions

66%

Group electricity from natural renewable sources

-51%

Data Centre carbon emissions.

-23%

Office water consumption.

450

Plastic bottles expected to be saved per month, due to purification system installed in Sri Lanka.

Science-based targets

LSEG has become one of the 1st companies in the financial services sector to set long-term science-based carbon reduction targets. The official Scope 1 and 2 target, which meets the standards of the Science Based Targets Initiative (SBTI), is:

- 'London Stock Exchange Group commits to a 40% reduction of their global Scope 1 and 2 GHG emissions by 2030 from a 2016 baseline'

A Scope 3 target continues to be developed, and once this is complete all 3 scopes will be verified by the SBTi.



Overview	Corporate Sustainability Strategy	2018 Review	Performance			Appendix
		Our Markets	Our Services	Our People	Our Communities	

Environment continued

Overall Performance

During the reporting period, we achieved an 18% reduction in our absolute carbon footprint and an 16% reduction in Carbon Emissions per FTE. This is a slower rate of change to 2017, where LSEG achieved a 43% reduction in carbon emissions per FTE. This was due to significant action in 2017, where 64% of the Group's electricity was moved to production by natural renewable energy sources.

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

In 2018 we built on the setting of Scope 1 and Scope 2 science-based targets, by completing a review of our Scope 3 emission sources with SBTi. We continue to develop our scope 3 target, in order for us have all 3 scopes targets verified by the SBTi.

2020 Target: Reduce tCO₂e by 20% per £m Revenue and per FTE
Progress against 2020 Target: Reduction of 70% per £m Revenue and reduction of 63% per FTE

Disclosure	Indicator				Performance against 2018 target	
		2018 tCO ₂ e	2017 tCO ₂ e	2016 tCO ₂ e	Target	Actual
Carbon Footprint (tCO ₂ e)	Total Group Carbon Footprint	17,864	21,866	31,646		
	per m ²	0.201	0.235	0.351	↓	-16%
	per FTE	3.36	3.98	6.91		
	per £m Revenue	8.37	11.2	19.1	↓	-26%
	Scope 1	1,414	1,919	1,583		
	Scope 2 – Market Based	7,132	11,694	21,676		
	Scope 2 – Location Based	19,169	21,850	23,010		
	Scope 3	8,792	7,320	6,572		
	Scope 3 (Electricity T&D)	527	932	1,815		
	Data Centres	3,441	6,975	15,408		
Offices	5,884	7,261	8,314			
Tenants	17.1	545	1,538			
Fugitive Emissions	Emissions from Aircon & Refrigeration	48.5	88.7	114		

Data Centres

Data centre energy is a significant contributor to the Group carbon footprint. Following the move to 100% renewable electricity for our primary UK data centres in 2017, in 2018 we benefited from the 1st full 12-month period of the renewable tariff which has allowed a 52% reduction in carbon emissions per cabinet. To deliver further carbon savings, in 2018 we commenced a cold-aisle containment programme in the UK. Our new data centre cold-aisle containment project was completed in 2018, but as new equipment continues to be installed at the site, the benefits in reducing consumption have not yet been fully recognised. The project will be monitored for its environmental ROI, and we expect the programme to be extended to other sites 2019. LSEG continue to run effective decommissioning projects on a continual basis, with 130 legacy servers released as a result of upgrades to newer, more efficient hardware platforms in 2018. Diesel consumption returned to a more typical consumption, following the peak in 2017 (due to generator use during infrastructure upgrades).

2020 Target: Reduce tCO₂e and Water by 20% per £m Revenue
Progress against 2020 Target: Reduction of 88% tCO₂e and reduction of 30% m³ per £m Revenue

Disclosure	Indicator	2018		2017		2016		Performance against 2018 target	
		Unit	tCO ₂ e	Unit	tCO ₂ e	Unit	tCO ₂ e	Target	Actual
Energy	Electricity (kWh)	38,314,359	3,121	36,270,505	6,605	35,084,718	14,982	-5%	-52%
	Natural Gas (kWh)	1,266,356	233	1,301,549	240	1,225,793	226		
	Diesel (litres)	15,944	42	44,755	116	32,708	85	↓	
	Total tCO ₂ e		3,395		6,961		15,293		
	per occupied cabinet		2.39		4.96		11.2		
	per £m Revenue		1.59		3.58		9.23		
Water (m ³)	Data Centre	45,375	15.6	36,164	13.5	37,790	13.0	-2%	+14%
	per occupied cabinet		31.9		27.9		27.7		
	per £m Revenue		21.3		20.1		22.8	↓	↑



Overview	Corporate Sustainability Strategy	2018 Review	Performance				Appendix
		Our Markets	Our Services	Our People	Our Communities		

Environment continued

Offices

During 2018 carbon emissions from electricity consumption continued to reduce, as the 1st full 12-month period following the move to 100% renewable electricity for our primary UK and Italy sites. However, LSEG have recognised that electricity consumption per head has increased slightly in 2018 over each period, and therefore the EMG are working to ensure that energy efficiency and reduction measures are a continuous priority, in an effort to produce more with less. Significant progress was made with our LED replacement project at our London Paternoster Square building in 2018, and we have set lighting energy reduction targets and plans for 2019. Gas consumption returned to more familiar levels in 2018, following unusually high consumption in 2017 (due to a meter fault at a major Italy site).

2020 Target: Reduce tCO₂e and Water by 20% per £m Revenue

Progress against 2020 Target: Reduction of 61% tCO₂e and reduction of 57% m³ per £m Revenue

Disclosure	Indicator	2018		2017		2016		Performance against 2018 target			
		Unit	tCO ₂ e	Unit	tCO ₂ e	Unit	tCO ₂ e	Target	Actual		
Energy	Electricity (kWh)	21,795,520	4,538	21,291,928	5,499	19,444,263	7,002				
	Natural Gas (kWh)	4,428,881	886	6,138,674	1,243	4,113,675	822	↓	tCO ₂ e per FTE	↓	tCO ₂ e per FTE
	LPG (tonnes)	9.53	28.5	10.5	31.4	12.5	37.2				
	Diesel (litres)	40,218	108	43,268	115	71,031	190				
	Total tCO ₂ e		5,560		6,889		8,051				
	per FTE		1.05		1.25		1.76				
	per £m Revenue		2.60		3.54		4.86				
Water (m ³)	Energy use from Renewable Sources	66%		47%		20%					
	Office Space	48,430	16.5	62,647	21.5	56,299	19.3	↓	-2% m ³ per FTE	↓	-21% m ³ per FTE
	per FTE	9.11		11.4		12.3					
	per £m Revenue	22.7		32.2		34.0					

Business Travel

LSEG continue to extend the use and availability of video conference (VC) facilities, and to encourage the use of VC in place of air or rail travel where appropriate. In 2018, we have increased the number of VC calls by 119% compared to 2017. However, we have also had an increase in rail and air travel throughout 2018, where total business travel emissions per FTE have increased 25% on 2017 (excludes road vehicles). On investigation we have found long haul travel emissions have increased 20%, which we expect is due to travel to new acquisitions in 2018; and higher travel rates in October-December 2018 due to several global events involving staff from different regions.

Our vehicle fleet emission have reduced by 15% since 2017, partly as a result of our replacement with part of the fleet with electric vehicles.

2020 Target: Reduce tCO₂e by 20% per £m Revenue and per FTE

Progress against 2020 Target: Reduction of 18% per £m Revenue and increase of 1% per FTE

Disclosure	Indicator	2018		2017		2016		Performance against 2018 target			
		Unit	tCO ₂ e	Unit	tCO ₂ e	Unit	tCO ₂ e	Target	Actual		
Air Travel (km)	International	3,124,481	302	3,667,592	350	8,611,245	815				
	Long Haul	32,368,595	6,758	31,394,971	5,653	25,456,946	4,642	↓	tCO ₂ e per £m Revenue	↓	tCO ₂ e per £m Revenue
	Medium Haul	6,067,652	523	5,185,352	445	4,698,111	420				
	Short Haul	5,793,051	914	4,235,405	599	3,207,159	473				
	Total	47,353,780	8,497	44,483,319	7,047	41,973,461	6,349				
	per FTE		1.60		1.28		1.39				
	per £m Revenue		3.98		3.62		3.83				
Rail Travel (km)	Eurostar	1,062,560	11.8	502,907	5.75	636,720	6.74				
	National Rail	334,207	13.3	775,161	32.1	689,019	29.7				
	Total	1,396,767	25.1	1,278,068	37.9	1,325,739	36.4				
	per FTE		0.0047		0.0069		0.0080				
Road Vehicles	Company Leased Fleet (Diesel litres)	20,135	54.2	23,933	64.1	29,524	79.0				
Video Conferencing	Number of Conferences	23,463		19,613		14,786		↑	+5% total call hours	↑	+119% total call hours
	Conference Duration (Hours)	36,296		16,606		25,884					



Overview	Corporate Sustainability Strategy	2018 Review	Performance			Appendix
		Our Markets	Our Services	Our People	Our Communities	

Environment continued

Waste and Paper

LSEG continues to achieve 99% landfill avoidance, and total waste produced has reduced 8% since 2017. A reduction in mixed recycling, alongside increases in individual waste streams suggests improvements in waste management processes are encouraging employees to sort waste before disposing. Our waste management work in our London offices has been recognised with receiving Platinum Award status, and special recognition under the Cheapside Business Alliance Award at the London Clean City Awards in 2018. Efforts in waste management extend to our sites globally, and in 2018 one of our primary Sri Lankan sites completed the installation of their water purification system, which we estimate will allow us to save 450 large plastic water bottles entering the waste stream per month as of December 2018.

In our 3rd year of setting a paper reduction target, we achieved an 7% reduction in A4 sheets per FTE (target -2% per FTE), but we have also been able to achieve a 10% absolute reduction in paper use since 2017. In the UK the new print management system has been rolled out further to our Aldgate office.

2020 Target: Reduce Total Waste by 20% per £m Revenue
Progress against 2020 Target: Reduction of 74% per £m Revenue

Disclosure	Indicator	2018		2017		2016		Performance against 2018 target		
		Unit	tCO ₂ e	Unit	tCO ₂ e	Unit	tCO ₂ e	Target	Actual	
Waste (tonnes)	Total Waste Produced	874	234	946	198	904	153			
	per FTE	0.16	0.044	0.17	0.036	0.20	0.033	↓	tonnes per FTE	↓ tonnes per FTE
	per £m Revenue	0.41		0.49		0.55				
	Total Waste for Energy	644		731		667				
	Total Waste Recycled	228		211		234				
	– Food and Drink	29.2		23.9		20.6				
	– Paper	65.2		50.7		20.3				
	– Paper & Cardboard	22.4		20.5		17.8				
	– Plastics	1.92		1.67		1.49				
	– Glass	11.0		11.3		11.2				
– Mixed Recycling	98.7		103		162					
Landfill Avoidance		99.8%		99.7%		99.8%				
Paper	Sheets of A4	10,246,249		11,339,005		9,618,326			-2%	-7%
	per FTE	1,928		2,065		2,099		↓	sheets of A4 per FTE	↓ sheets of A4 per FTE

Notes:

- All Group totals and electricity breakdowns use market-based Scope 2 emissions factors.
- Scope 1 includes combustion of fuel and operation of facilities including Natural Gas, Diesel, LPG, Fugitive Emissions and Fleet Vehicles.
- Scope 2 is purchase of electricity by the Group for its own use (The Group does not purchase heat, steam or cooling).
- Scope 3 includes emissions from Air Travel, Rail Travel, Waste, Water and Scope 3 Electricity Transmission and Distribution.
- Group Carbon Footprint includes tenant consumption. Detailed section data excludes tenants.
- Market-based emissions use grid average emissions factors except for renewable energy supplies.
- Total extrapolated emissions – 4.72%.
- Only 4 sites are able to provide Fugitive emissions data from suppliers. All other sites excluded.
- 2017 and 2016 figures have been updated on receipt of annual emissions factor guidance and/or actual data from suppliers.

2019 Targets

We have set ongoing targets for all of our impact areas for 2019 compared to 2018, which have been calculated to support our 2030 science-based targets.

LSEG have recognised a need to move to a culture where they are able to produce more with less, and this will be the focus for sustainability action in the coming year.

We are aware of the risks and opportunities for our business arising from climate change and have developed measures to address them. We will actively monitor these changes so we can adapt and respond as necessary.

Carbon Emissions ↓ 5% (tCO ₂ e/FTE/£m Revenue)		
Business Travel Carbon (tCO ₂ e/£m Revenue) ↓ 2%	Video Conferencing (Total call hours) ↓ 5%	
Other Environmental Impacts		
Waste Production (tonnes/FTE) ↓ 2%	Water Consumption (m ³ /FTE) ↓ 2%	Paper Consumption (A4 Sheets/FTE) ↓ 2%



Overview	Corporate Sustainability Strategy	2018 Review	Performance			Appendix
		Our Markets	Our Services	Our People	Our Communities	

Social

Our social performance tables summarise our social disclosure based on global standards, and in particular draw from GRI and the FTSE Russell ESG indicators, aligning with the recommendations in our Group's ESG Reporting Guidance. Please see 'Our People' section and appendix for further details on our policies and activities related to our employees.

LSEG adheres to the UN Guiding Principles on Business and Human Rights, together with the International Labour Organization Conventions and Recommendations within our working environment in each location where we operate. The Group strongly supports these conventions which promote freedom of association and equality and abolish forced labour and child labour. Human rights considerations are also included in our Supplier Code of Conduct and Group Corporate Responsibility Policy.

1. LSEG ESG Reporting Guidance

Our guidance on reporting ESG information provides specific guidance on human rights disclosure, based on FTSE Russell's ESG methodology. It explains the investment case and the sources of investment risks, and provides example indicators of practice and performance. See page 17 of the Guidance for human rights guidance at www.lseg.com/esg

2. Modern Slavery

Our updated risk assessment and research in 2018 has again indicated that LSEG operates in an industry where the risk of modern slavery and human trafficking is inherently low. However, we operate as a global business and therefore recognise the risks of partnering with a spectrum of global suppliers. The Group has a zero-tolerance approach to modern slavery. Our 2018 'Slavery and Human trafficking statement' will be published on our website on the 29th March 2019 at www.lseg.com/about-london-stock-exchange-group/corporate-responsibility/modern-slavery-act-statement, describes the steps taken during 2018 to improve our supply chain management and procurement processes and procedures. Suppliers that make up the top 75% of spend were reviewed for modern slavery risks in 2016.

2018 Group statistics^{1, 2}

Disclosure	Indicator	2018	%	2017	%	2016	%	2015	%	
Employment	Employees by region									
	United Kingdom	1,666	36	1,596	33	1,408	35	1,549	30	
	Sri Lanka	1,001	22	1,036	21	1,030	26	833	16	
	United States of America	667	15	657	13	249	6	1,305	25	
	Italy	669	15	625	13	586	15	578	11	
	Russia	–	–	555	11	435	11	318	6	
	France	167	4	171	3	174	4	182	3	
	Malaysia ³	189	4	121	2	–	–	–	–	
	Romania	160	3	–	–	–	–	–	–	
	Other	68	1	147	3	94	2	480	9	
	Total		4,587	100	4,908	100	3,976	100	5,245	100
	Employees by contract type									
	Full time	4,397	96	4,683	95	3,808	96	4,891	93	
Part time	78	2	104	2	91	2	171	3		
Fixed term	112	2	121	3	77	2	183	4		
Total		4,587	100	4,908	100	3,976	100	5,245	100	
Employees covered by collective bargaining agreements	18%		16%		20%		15%			
Staff voluntary turnover	11%		9.5%		5.6%		9.9%			
Health and safety⁴	Number of health and safety incidents	0		0		3		0		
Training and education	Employees receiving regular performance and career development reviews	100%		100%		100%		100%		
	Total hours spent on employee development training	63,150		41,675		30,000		N/A		
Labour standards	Number of incidents of labour standards non-compliance	0		0		0		N/A		
Diversity and equal opportunity	Employees by region									
	United Kingdom	33	67	33	68	32	68	33	67	
	United States of America	35	65	35	65	33	67	39	61	
	France	39	61	39	61	37	63	38	62	
	Italy	36	64	38	62	38	62	39	61	
	Sri Lanka	28	72	24	76	18	82	18	82	
	Romania	29	71	–	–	–	–	–	–	
	Other	41	59	40	60	34	66	38	62	
	Total	34	66	33	67	30	70	33	67	
	Group by gender and organisational level									
	LSEG plc Board	3	10	2	9	1	10	3	11	
LSEG Subsidiary Boards ^{5, 7}	22	116	23	142	17	128	21	181		
Executive Committee and Leadership Teams ^{6, 7}	134	295	146	303	111	252	15	65		
All Staff	1,435	2,723	1,458	3,001	1,085	2,528	1,741	3,424		
Total	1,569	3,018	1,604	3,304	1,196	2,780	1,756	3,489		
Employees by age group										
Under 30 years	1,361	30	1,540	31	1,357	34	1,396	27		
30–50 years	2,641	57	2,740	56	2,204	55	3,157	60		
Over 50 years	585	13	628	13	415	10	692	13		
Total	4,587		4,908		3,976		5,245			
Nationalities represented in the Group	80 ⁸		72		59		55			
Non-discrimination	Total number of incidents of discrimination and actions taken	0		0		0		0		

1. Figures as of year end 31 December 2018.

2. Due to rounding, some totals may not correspond with the sum of the separate figures.

3. Malaysian employees acquired as part of Mergent. No past data available.

4. 100% of the total workforce were represented in formal joint management-worker health and safety committees. The health and safety committee is chaired by the Head of Group Property with departmental representation from across the global business in multiple jurisdictions.

5. Mix of employees and Non-Executive Directors.

6. Executive Committee and Leadership Teams in LSEG.

7. The LSEG Subsidiary Board members and the Executive Committee and Leadership Teams together comprise the 'Senior Managers' for the purposes of section 414C(10)b of the Companies Act 2006.

8. Not a required disclosure, and therefore represents 76% of staff who disclosed this information.



Overview

Corporate Sustainability Strategy

2018 Review

Our Markets

Our Services

Our People

Our Communities

Performance

Appendix

Governance

LSEG is committed to the corporate governance standards set out by the UK Corporate Governance Code, which in 2014 was updated to strengthen the focus on long term sustainable value creation. For a full description of our corporate governance framework please see the 2018 LSEG Annual report. You may also refer to the GRI Index available at www.lseg.com/about-london-stock-exchange-group/corporate-sustainability.

The purpose of this section is to provide disclosure on governance practices that are particularly relevant to sustainability issues deemed significant by our stakeholders.

For 200 years, we have abided by our motto, Dictum Meum Pactum, 'My word is my bond'. Today, it is as vital as ever that we maintain the highest standards of ethics and governance. Given our central role in a constantly evolving global economic landscape, it is important that we foster confidence in our markets and in the services we provide.

What we believe as a Group and how we act is summarised by our 4 core values and behaviours: **Integrity**, **Partnership**, **Innovation** and **Excellence**.

Integrity

My word is my bond

Integrity underpins all that we do – from our unshakeable commitment to building and supporting global markets based on transparency and trust, to every transaction across our business with each and every stakeholder. We are a source of enduring confidence in the financial system, so when we say that our word is our bond, we mean it.

Partnership

We collaborate to succeed

We pride ourselves on working together as proactive partners, building positive relationships with our colleagues, customers, investors, regulators, governments and shareholders, for our mutual success and the benefit of all.

Innovation

We nurture new ideas

We are ambitious and forward-looking – a pioneering Group of market innovators, driven by fresh thinking that has kept us ahead of change. We prudently and proactively invest to make sure that our markets and services are constantly developing and evolving with advances in technology.

Excellence

We are committed to quality

We have a fundamental commitment to developing talented teams who deliver to the highest standards in all that we do. By collaborating together, we will sustain industry-leading levels of excellence, setting the benchmarks that inspire ever-better performance.

HIGHLIGHTS

100%

Employees successfully completed mandatory Anti-Bribery and Corruption training in 2018

100%

Employees successfully completed mandatory GDPR training in 2018

500

Over 500 Investor meetings held in 2018



Overview	Corporate Sustainability Strategy	2018 Review	Performance			Appendix
		Our Markets	Our Services	Our People	Our Communities	

Governance continued

Corporate responsibility and our sustainability strategy are overseen by the LSEG Board. Our CEO is responsible for reporting to the Board on sustainability matters, while the Group CFO, who is a Board member, has responsibility for the environmental policy.

Our sustainability strategy is driven by the Group Corporate Sustainability Committee, on which Executive Committee members and an LSEG Board member sit. Delivery of the sustainability programme is carried out by the Sustainable Business team, reporting to Investor Relations.

Each pillar lead has established working teams drawn from across the Group. 2 of which also have oversight of related CS initiatives, shown below, such as the Diversity and Inclusion (D&I) committee which feeds into the 'Our People' working team.

Sustainability Governance

LSEG Board

LSEG Executive Committee

LSEG CS Committee

Mark Makepeace, Chair

Programme Delivery Oversight

Paul Froud, Group Head of Investor Relations
David Harris, Group Head of Sustainable Business
Sara Lovisolo, Group Sustainability Manager

Working Teams

Our Markets	Our Services	Our People	Our Communities
Raffaele Jerusalmi	Mark Makepeace	Tim Jones	Diane Côté
		D&I Diane Côté	WIN Diane Côté
		Foundation Diane Côté	EMG James Nunn

Tax transparency

LSEG's strategy for taxation has been published and is available at www.lseg.com/about-london-stock-exchange-group/regulatory-strategy/london-stock-exchange-tax-strategy.

The strategy is centred around 4 concepts:

1. To ensure that the Group fulfils its fiscal obligations with regard to the administration and payment of all taxes.
2. To ensure that the Group's tax affairs are arranged in an efficient manner, whilst remaining compliant with the tax laws of the jurisdictions in which it operates.
3. To support the delivery of the Group's corporate and risk management strategies.
4. LSEG does not undertake purely artificial transactions in order to obtain a tax benefit and will only enter into transactions, which would be fully justifiable should they become public. Furthermore, all transactions must have a business purpose or commercial rationale.

We disclose UK tax charge and overseas tax charge in the financial statement of our Annual Report. LSEG is also a signatory of the UK Prompt Payment Code.

Cyber security

Cyber security is increasingly identified by investors as a key non-financial sustainability risk in the financial sector with broad impacts on a number of stakeholders. Our reputation and ability to fulfil our purpose as a critical markets infrastructure provider is dependent on our secure management of data and financial assets. In order to have confidence in our data and assurance of financial assets, we have controls that protect the confidentiality, integrity and availability of LSEG and Group company assets including by preventing unauthorised use or modification.

Given the increased size and scope of our businesses, we face a wide and expanding universe of risks. In particular, our critical role as a markets infrastructure provider gives us

exposure to technology risks such as cyber threats, systems resilience and technological innovation. The Group is reliant upon secure premises to protect its employees and physical assets as well as appropriate safeguards to ensure uninterrupted operation of its IT systems and infrastructure. The threat of cybercrime requires a high level of scrutiny as it may have an adverse impact on our business. Long-term unavailability of key premises or trading and information outages and corruption of data could lead to the loss of client confidence and reputational damage. Security risks have escalated in recent years due to the increasing sophistication of cybercrime.

Security threats are treated very seriously. The Group has robust physical security arrangements, and extensive IT measures are in place to mitigate technical security risks. The Group is supported by the Centre for the Protection of National Infrastructure (CPNI) in the UK, with both physical and IT security teams monitoring intelligence and liaising closely with police and global Government agencies. A 3rd-party security monitoring service is retained to assist with monitoring global physical security events with the potential to impact Group operations. The Group has well established and regularly tested business continuity and crisis management procedures. The Group risk function assesses its dependencies on critical suppliers and ensures robust contingency measures are in place.

The ISAE 3402 certification (Assurance Reports on Controls at a Service Organisation) has been obtained by LSEG for London's primary data centre and CC&G data centre in Rome. The Group also holds ISO 27000 (Information Systems) and ISO 20000 certifications covering other regional data centres.

Please see the 'Key policies' box on the next page for a description of the Group Information Security and Business Continuity Management policies.



Overview	Corporate Sustainability Strategy	2018 Review	Performance			Appendix
		Our Markets	Our Services	Our People	Our Communities	

Governance continued

Our Code of Conduct and Corporate Responsibility policy, both published at www.lseg.com/about-london-stock-exchange-group/corporate-sustainability, are underpinned by LSEG's values and behaviours and a number of policies that embed sustainability into our day to day operations.

Given their relevance for our industry and associated risks, we provide below a brief description of the following policies:

1. Financial Crime
2. Anti-bribery and Corruption
3. Group Information Security
4. Business Continuity Management

1. Financial Crime

This policy outlines the approach and arrangements that LSEG has in place to prevent the occurrence, facilitation or furthering of financial crime. It also sets out LSEG's approach to compliance with applicable legislation, regulation and guidance.

The detection, disruption and deterrence of financial crime is a key objective for many regulators worldwide and continues to be a high priority for governments. Consequently financial crime poses a continuous reputational, regulatory and legal risk to LSEG. In addition to the reputational and financial loss caused by financial crime, a failure to establish adequate controls to manage our risk and ensure those controls are effective exposes the Group and approved persons to civil and criminal sanctions including heavy fines, restrictions on business activity and loss of relevant regulatory authorisation.

LSEG is committed to supporting government, law enforcement and international bodies to combat the use of the financial services sector to facilitate financial crime.

2. Anti-bribery and Corruption

Consistent with LSEG's strategic risk objective of maintaining stakeholder confidence, we regularly review both the risks associated with our business conduct and our related policies. As a result, LSEG has in place a Code of Conduct, Anti-bribery and Corruption, and conflict of interest policies, approved by the Board. In 2018 we carried out mandatory anti-bribery and corruption compliance training, with 100% successful completion; and, the number of staff disciplined or dismissed due to non-compliance was 0. Based on FTSE Russell's 2017 ESG assessment, LSEG's industrial and geographic exposure to the corruption theme is medium (2 out of 3).

3. Group Information Security

This policy outlines the Information Security requirements across LSEG. It addresses a number of risks, including: data loss or theft which could result in unauthorised access to systems or company information; the threat of malware (such as viruses, worms, spyware, Trojans and other threats); and, the loss or unauthorised alteration of company data, including personal and confidential information which could expose LSEG to the risk of non-compliance with legal obligations of confidentiality, data protection and privacy.

4. Business Continuity Management (BCM)

LSEG is committed to minimising the impact to markets, customers and other stakeholders arising from any event which causes disruption. To achieve this the Group has established BCM as an integral part of its business operations.

BCM is a management process that identifies potential threats to an organisation and the impacts to business operations those threats might cause. It provides a framework for building organisational resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value-creating activities.

BCM includes all activities relating to:

- business recovery planning;
- IT service continuity planning (including disaster recovery); and
- crisis management.

The purpose of this policy is to ensure that the Group has a feasible, practical, cost-effective and tested Business Continuity Management Framework (BCMF) and that controls exist which ensure that the Group operates within its overall risk appetite.



Overview

Corporate Sustainability Strategy

2018 Review

Our Markets

Our Services

Our People

Our Communities

Performance

Appendix

Governance continued

LSEG is committed to engaging with policy makers and related groups to advise on and contribute to the development of better sustainable policy practices.

Launch of UNEP Network of Financial Centres for Sustainability

The inaugural meeting of the Network of Financial Centres for Sustainability (FC4S) was held in Milan in April 2018. The FC4S Network is a partnership between financial centres and the United Nations Environment Programme. The objective of the network is to exchange experience and take common action on shared priorities to accelerate the expansion of green and sustainable finance. The long-term vision of the FC4S Network is rapid global growth of green and sustainable finance across the world's financial centres, supported by strengthened international connectivity and a common framework. Borsa Italiana co-chairs the working group of the Italian Centre for Sustainability which is backed by the Italian Ministry of the Environment.

The key outcome was a 5-point action plan to build international cooperation among financial centres on climate action and sustainable development:

1. To strengthen links among members, including through regional hubs for Europe, Asia and Africa. The European hub has just been launched in partnership with Climate-KIC. These hubs will involve centres in the regions as well as internationally.
2. To develop a robust benchmarking and assessment tool to enable financial centres to evaluate their progress and inspire further action. This will build on initial work presented in 2017 by I4CE and PWC.

3. To develop a joint statement on the importance of effective taxonomies for green and sustainable finance. A common language is key if green and sustainable finance is to develop in a trusted and dynamic fashion across the world.

4. To share experience on green digital finance, including through testing the Green Assets Wallet, a new approach to improve efficiency and transparency in the green debt market.

5. To gather the experience of financial centres in the development of the green bond market. This resulting briefing paper will be produced together with the Climate Bonds Initiative.

Technical Expert Group on Sustainable Finance

Following the launch of the report from the High-Level Expert Group on Sustainable Finance (HLEG) in January 2018, the European Commission launched an Action Plan on Financing Sustainable Growth in March 2018. As part of this, the Commission set up a Technical Expert Group on Sustainable Finance (TEG), of which LSEG is a member through Borsa Italiana.

The TEG's mandate covers 4 areas:

1. Development of an EU classification system of sustainable economic activities.
2. Development of the minimum standards for a harmonised methodology for low-carbon and positive carbon impact benchmarks.

3. Development of an EU Green Bond standard.

4. Updating the Non-Binding Guidelines supporting the Non-Financial Reporting Directive, with focus on climate-related disclosures and incorporating the recommendations from the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

The TEG, set up in July 2018, is expected to deliver its recommendations by June 2019.

UK Green Finance Taskforce and Institute

LSEG continues to support the Green Finance Taskforce and are represented by Nikhil Rathi, CEO of LSE plc and Director of International Development and David Harris, Group Head of Sustainable Business.

LSEG is a member of the Green Finance Institute, which was created in 2018, and is represented by Nikhil Rathi. The purpose of the Institute is to bring together the UK's existing capabilities, create new business opportunities and communicate to the wider market what London's offer is in green finance and insurance.

SSE Report on Regulators

Developed by a working group of nearly 70 capital market stakeholders, including London Stock Exchange Group, the 2018 report by the UN SSE Initiative on securities regulation, 'How securities regulators can support the SDGs' shares experiences and outlines an action plan for regulators wishing to support the SDGs.

As part of LSEG's engagement with regulators on sustainable finance, London Stock Exchange and Borsa Italiana were also signatories to a letter to the International Organization of Securities Commissions (IOSCO) calling to endorse the Sustainable Stock Exchanges' Model Guidance on Reporting ESG Information to Investors as a consistent principles-based approach to reporting on ESG issues, and to engage the World Federation of Exchanges (WFE) in their ongoing sustainability work, including examining metrics as a starting point towards developing a minimum, baseline level of disclosure. The letter also sought IOSCO's endorsement of the Financial Stability Board's TCFD recommendations as a means for a deeper examination of climate-related disclosures.



Overview	Corporate Sustainability Strategy	2018 Review Our Markets Our Services Our People Our Communities	Performance	Appendix
----------	-----------------------------------	--	-------------	----------

Appendix i

UN SSE: Communication to stakeholders

Having joined the UN-backed Sustainable Stock Exchanges (SSE) initiative in 2014, LSEG has committed to reporting to the SSE stakeholders on an annual basis. The report provided below is in line with the template and structure developed by the SSE. This is LSEG's 5th report on progress.

Business Strategy

How does your exchange define and view the rationale for corporate sustainability and the exchange's role in promoting it?

Our CEO's message, CS strategy and Materiality review on pages 2, 6 and 7 respectively, demonstrates our rationale for corporate sustainability and our role in promoting it.

How does your exchange's senior leadership and organisational structure support the promotion of corporate sustainability in its market(s)?

Our sustainability strategy is developed and reviewed by our Executive Committee and Board respectively, while our organisational structure is set out on pages 3 and 5. Our Markets and Our Services pillars support the promotion of sustainability across capital markets globally, on pages 10–16.

What goals/objectives does your exchange have in regards to advancing sustainability in your market?

The impact areas of our sustainability strategy that are more relevant here are Disclose, Convene, Grow and Transition – please see Our Key Initiatives, Our Markets and Our Services section for more details see pages 6–16. We set out our specific objectives for 2019 in our Looking ahead section on page 28.

Transparency and Issuer Reporting

Describe your exchange's approach to promoting sustainability disclosure by companies.

We cover this across both Our Markets and Our Services. We encourage best practice disclosure in many ways. Firstly, during 2016 we developed guidance on ESG disclosure for issuers of all sizes across the UK and Italy, which was launched in February 2017 and can be accessed at www.lseg.com/esg. Secondly, FTSE Russell's ESG services and the associated FTSE4Good Index family set a standard for ESG disclosure globally. Thirdly, we promote issuer-investor dialogue on ESG issues through capital markets events and our new online investor relations platform Elite Connect and our new online investor relations platform Elite Connect. In July 2018 Borsa Italiana held its 2nd Sustainability Day to encourage investor-issuer dialogue on ESG issues (see page 13). In 2017, the CEOs of LSEG, London Stock Exchange, Borsa Italiana and FTSE Russell signed the letter of support for the final recommendations of the Financial Stability Board's Taskforce on Climate-Related Financial Disclosure (TCFD).

What is your exchange's process for reviewing listing standards in general? Are there opportunities for stakeholders to comment during the process?

The UKLA is responsible for listing standards in the UK not the London Stock Exchange. Borsa Italiana is responsible for setting and reviewing the listing standards as set in the Rules of the Markets, organised and managed by Borsa Italiana. Any modification to the Rules is subject to 2 main approvals: Borsa Italiana's Board of Directors' and the Italian financial markets supervisory authority's approval. Borsa Italiana stakeholders can comment on the process of amending the listing standards, both the Rules of the Markets and their implementing Instructions. For example, as part of its preparation of the modifications, Borsa Italiana shall consult relevant stakeholders, such as the industry associations of issuers and intermediaries, in order to incorporate their comments and suggestions.

How do you track sustainability reporting of your listed companies?

There are 2 ways, one internal and one external. Internally, the FTSE ESG service tracks the level of ESG disclosure for our markets and for other markets around the world. The report published by FTSE Russell in December 2016 saw LSE in 16th position and Borsa Italiana 9th. Externally, we review our progress against the SSE exchange rankings for sustainability disclosure. The 2018 report, part of the SSE Report on Progress, and based on data provided by FTSE Russell, saw Borsa Italiana in the 6th position globally and London Stock Exchange in the 14th position. However London Stock Exchange is 2nd among the largest exchanges, and ranks 1st for the environmental reporting of its listed companies. See more information on FTSE Russell contribution to the 2018 ranking on page 13.



Overview	Corporate Sustainability Strategy	2018 Review Our Markets Our Services Our People Our Communities	Performance	Appendix
----------	-----------------------------------	--	-------------	----------

Appendix i continued

What incentives (i.e., public recognition/awards) and sanctions do you have in place to encourage disclosure and discourage non-compliance/ lower levels of transparency?

FTSE Russell assesses ESG and green revenues disclosure and performance of companies globally and provides this analysis to investors around the world. This data is also used to construct the FTSE4Good Index Series, which highlights companies that meet good practice standards, and the Environmental Markets and Green Revenues Index Series. FTSE Russell also works with other exchanges across the world. More information can be found on pages 15 and 16. In addition, to promote disclosure, in 2018 FTSE Russell launched STEP Change, and engagement programme aimed at raising the awareness of global listed companies around their sustainability performance (see page 15 for more detail).

What connections have you made between national sustainable development frameworks and goals, and your exchange's existing Standard and norms?

LSEG ESG reporting guidance builds on national disclosure standards and norms across the UK and Italy. The EU Non-Financial Reporting directive was transposed in the UK and Italy during 2016, mandating public interest companies with more than 500 employees to disclose environmental, social, diversity, human rights and anti-bribery and corruption information. The guidance also builds on the recommendations of the Financial Stability Board's TCFD and the SDGs. In 2018, Borsa Italiana joined the Technical Expert Group on Sustainable Finance set up by the European Commission to provide advice on a number of initiative included in the EU Action Plan on Financing Sustainable Growth. In particular, Borsa Italiana has been involved in the activities of the TEG sub-group focusing on climate-related disclosures, tasked with incorporating the TCFD recommendations into the Non-Binding Guidelines complementing the Non-Financial Reporting Directive.

Issuer Capacity Building

If your exchange offers sustainability guidance for companies, please provide a description of the process for its creation.

LSEG involved market participants in the creation of its ESG Guidance for issuers through investor and issuers workshops organised in the UK and Italy, and consulted other stakeholders (standard setters and responsible investment NGOs) before finalising the guidance.

Do you and/or your regulator provide guidance on externally assuring ESG disclosures? In your market, how common is external assurance of ESG disclosures?

Assurance of ESG disclosure is mandated in Italy and the UK as part of the implementation of the EU Non-Financial Reporting directive. LSEG ESG guidance recommends enhancing the credibility of ESG information through internal and or external assurance (see 'Investment Grade Data' chapter of the guidance).

Collaboration and Engagement

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

We do this is a range of ways including:

- we partner a large number of peer exchanges around the world and in some cases this explicitly covers ESG and ESG indices
- we respond to regulator consultations and have responded positively to consultations regarding issuer non-financial disclosure in the past
- we host events for issuers and ESG related initiatives, and LSEG in 2017 was involved in the EU High Level Expert Group on Sustainable Finance, in the UK Green Finance Taskforce, and in the G7 Green Finance workstream under the Italian Presidency
- through FTSE Russell we are involved in a large number of investor ESG collaborative bodies and initiatives including the UN backed PRI, UK SIF, US SIF, Euro SIF, ICGN, Japan SIF and RIAA
- through our involvement with the SSE initiative: in 2017, LSEG was part of the SSE Green Finance Advisory Group
- we are working in a range of ways to support the growth and development of green finance and are represented on the City of London's Green Finance Initiative and as an observer of the Green Bond Principles
- In 2017-2018 Borsa Italiana co-chaired the working group tasked by the Italian Ministry of Environment to set up the Italian Financial Centre for Sustainability, an active member of the UN-backed FC4S, the network of financial centres for sustainability


[Overview](#)
[Corporate Sustainability Strategy](#)
[2018 Review](#)
[Our Markets](#)
[Our Services](#)
[Our People](#)
[Our Communities](#)
[Performance](#)
[Appendix](#)

Appendix i continued

Sustainable Products

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

LSEG in 2016 launched its Global Sustainable Investment Centre which aims to promote green and sustainable capital raising and deep integration of ESG consideration in the investment process across asset classes. The product portfolio includes green bonds in different currencies, renewable infrastructure funds, cleantech companies, green ETFs, ESG indexes and analytics, FTSE Russell's Green Revenues and analytics, and supporting tools such as LSEG ESG guidance.

Exchange Needs

Are there any specific resources that you would like from the SSE or other relevant groups to help you in your sustainability work?

The agenda of the SSE has already moved beyond disclosure, also addressing green finance and the role of regulators. The next step could be to carry out work on SDG8 regarding decent work and growth, which is one of the key SDGs identified by the SSE as relevant to exchanges.

Are there any specific requests you have of investors, issuers and regulators in terms of their role in advancing sustainability in the market?

LSEG looks forward to continuing collaboration with investors, issuers and regulators on the sustainable investment agenda. It is key to the continued success of ESG disclosure that issuers perceive how investors are shifting capital allocations in response to ESG and low-carbon economy considerations. Therefore we'll keep placing emphasis on the importance of investor-issuer dialogue on ESG issues, as a complement to high-quality ESG data flows. LSEG welcomes the recommendations of the Financial Stability Board's TCFD as a key development in the trend toward the global alignment of ESG disclosure standards.



Overview

Corporate Sustainability Strategy

2018 Review

Our Markets

Our Services

Our People

Our Communities

Performance

Appendix

Appendix ii

Key:

Likely

Possible

FTSE Russell quantitative ESG data points as referenced in the LSEG ESG Reporting Guidance

Indicator	Indicator sub code	Indicator description wording	2018	2017 ¹	2016	Relevance
Environmental	ECC14	Total operational GHG emissions data (Scope 1 & 2) is disclosed	8,546 tCO ₂ e	13,667 tCO ₂ e	23,321 tCO ₂ e	
	ECC15	Total energy consumption data is disclosed	69,495 MWh	64,658 MWh	70,435 MWh	
	EPR18	Disclosure of NOX emissions (tonnes)	Not significant	Not significant	Not significant	
	EPR19	Disclosure of SOX emissions (tonnes)	Not significant	Not significant	Not significant	
	EPR21	Disclosure of volatile organic compounds (VOC) emissions (kilograms)	Not significant	Not significant	Not significant	
	EPR24	Disclosure of hazardous waste generation (tonnes)	Not significant	Not significant	Not significant	
	EPR25	Disclosure of non-recycled waste generation (tonnes)	646 tonnes	735 tonnes	670 tonnes	
	EPR26	Disclosure of waste recycled (tonnes)	228 tonnes	211 tonnes	234 tonnes	
	EPR27	Total costs of environmental fines and penalties during financial year	0	0	0	
	EPR28	Percentage of sites covered by recognised environmental management systems such as ISO 14001 or EMAS	47%	47%	N/A ²	
	ESC30	Total GHG emissions data on properties disclosed	9,342 tCO ₂ e	14,818 tCO ₂ e	25,303 tCO ₂ e	
	ESC31	Total energy usage data on properties disclosed	69,495 MWh	64,658 MWh	70,435 MWh	
	ESC32	Total water usage data from property portfolio disclosed	101,478 m ³	109,243 m ³	97,624 m ³	
	EWT11	Total water use/water extraction data is disclosed	101,478 m ³	109,243 m ³	97,624 m ³	
	EWT12	Percentage of water recycled (non-potable) for use in own operations	Not significant	Not significant	Not significant	



Overview	Corporate Sustainability Strategy	2018 Review Our Markets Our Services Our People Our Communities	Performance	Appendix
----------	-----------------------------------	--	-------------	----------

Appendix ii continued

Indicator	Indicator sub code	Indicator description wording	2018	2017 ¹	2016	Relevance
Governance	GAC12	Disclosure of total amount of political contributions made.	The only political donations made in 2018 amounted to US\$19,000 was donated to political organisations by the LSEG US Holdco, Inc. employee operated PAC. All LSEG US Holdco, Inc. contributions will be reviewed for legal compliance and will be publicly reported in accordance with US election laws.	£0	The only political donations made in 2016 amounted to US\$41,500 by Russell Investments PAC, before its sale. The Group has made no other political donations.	↑
	GAC13	Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies	0	0	0	↑
	GAC14	Disclosure of cost of fines, penalties or settlements in relation to corruption	0	0	0	↑
Social	SHR17	Total amount of corporate or group donations/community investments made to registered not-for-profit organisations	£1.5 million ³	£1.2 million ⁴	£1.1 million ⁵	↑
	SHS12	Percentage of sites with OHSAS 18001 certification	0%	6%	16%	→
	SHS13	Number of staff trained on health and safety standards within the last year	100% ⁶	100%	100%	→
	SHS15	Lost-time incident rate, over last three years	7.63	6.54	Not significant	→
	SHS38	Number of work-related employee fatalities	0	0	0	→
	SHS40	Number of work-related contractor fatalities	0	0	0	→
	SLS24	Full-time staff voluntary turnover rates	11%	9.5%	5.6%	↑
	SLS25	Percentage of employees that are contractors or temporary staff	2%	3%	2%	↑
	SLS26	Amount of time spent on employee development training to enhance knowledge or individual skills, using: a) Total hours as a company, or b) Average hours per employee	a) 63,150 b) 14	a) 41,675 b) 8.5	a) 30,000 b) N/A	↑

1. 2017 figures have been updated and re-verified on receipt of annual emissions factor guidance and actual data from suppliers.

2. ISO14001 system established and accredited for UK property portfolio in 2017.

3. This is the total cash charitable donation made by the Group in 2018, consisting of £1,254,000 to LSEG Foundation and £207,000 to other charities (see page 27).

4. This is the total cash charitable donation made by the Group in 2017, consisting of £1,122,000 to LSEG Foundation and £107,000 to other charities.

5. This is the total cash charitable donation made by the Group in 2016, consisting of £962,000 to LSEG Foundation and £133,000 to other charities.

6. 100% of new staff received health and safety training.


[Overview](#)
[Corporate Sustainability Strategy](#)
[2018 Review](#)
[Our Markets](#)
[Our Services](#)
[Our People](#)
[Our Communities](#)
[Performance](#)
[Appendix](#)

Appendix iii

WFE Principles


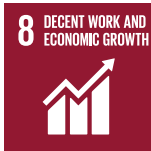



Having re-joined the World Federation of Exchanges (WFE) in 2018, LSEG has committed to take on a leadership role in promoting the sustainable finance agenda. Below we summarise our efforts in 2018 to promote the Principles progressively in accordance with our circumstances and priorities.

Principle:	Principles in action:
<p>Principle 1: Exchanges will work to educate participants in the exchange ecosystem about the importance of sustainability issues.</p>	<ul style="list-style-type: none"> – LSEG convened a diverse group of fixed income experts to discuss their perspectives on the continued growth and dynamics of the Green Bond market (page 12) – Borsa Italiana Sustainability Day to raise awareness among market participants and facilitate dialogue between issuers and investors on ESG and sustainability topics (page 13)
<p>Principle 2: Exchanges will promote the enhanced availability of investor-relevant, decision-useful ESG information.</p>	<ul style="list-style-type: none"> – IFC and UN SSE Roundtable discussion on 'Disclosure and Transparency and Environmental, Social, and Governance (ESG) Integration in Emerging Markets' held at the London Stock Exchange Group (page 13) – LSEG launched the inaugural series of reports on African capital markets, developed as part of its London Africa Advisory Group (LAAG). The 5 reports put forward recommendations on how African capital markets could be further developed to increase global investment flows. (page 11) – FTSE Russell launched its Stewardship, Transition and Engagement program for Change ('STEP Change') and accompanying report, the 2018 STEP Change Report (page 15)
<p>Principle 3: Exchanges will actively engage with stakeholders to advance the sustainable finance agenda.</p>	<ul style="list-style-type: none"> – FTSE Russell hosted a market open ceremony and the Asset Owner Climate Summit to review the latest TPI analysis and facilitate dialogue around the state of transition and action that can be taken by asset owners to decarbonise their portfolios (page 15)
<p>Principle 4: Exchanges will provide markets and products that support the scaling-up of sustainable finance and reorientation of financial flows.</p>	<ul style="list-style-type: none"> – FTSE Russell launched its FTSE Women on Boards Leadership Index Series (page 16) – AIM and AIM Italia were recognised as the first SME Growth Markets in Europe following the introduction of the designation in MIFID II (page 11) – The ELITE global community surpassed 1000 companies representing 40 countries and 35 sectors, and accounting for over 470,000 jobs (page 11)
<p>Principle 5: Exchanges will establish effective internal governance and operational processes and policies to support their sustainability efforts.</p>	<ul style="list-style-type: none"> – LSEG continues to assess ESG considerations in the risk framework – A description of our CS governance can be found in our CS report (page 37)

Appendix iv

Sustainable Development Goals

As the UN Sustainable Stock Exchanges initiative assesses that exchanges are well placed to have a measurable impact on 5 of the Sustainable Development Goals (SDGs), we align our strategy to them. This is also one of the frameworks recommended in our ESG Reporting Guidance.

SDG	Goal	Associated targets	LSEG impact
	Gender equality	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.	DEVELOP SUSTAIN
	Decent work and economic growth	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formation and growth of micro-, small and medium-sized enterprises, including through access to financial services.	GROW SUSTAIN
	Responsible consumption and production	Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	DISCLOSE TRANSITION CONVENE
	Climate action	Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	DISCLOSE TRANSITION CONVENE SUSTAIN
	Partnership for the goals	Enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries.	DEVELOP

© March 2019

London Stock Exchange Group plc
10 Paternoster Square
London EC4M 7LS

Telephone +44 (0)20 7797 1000

Registered in England and Wales No. 5369106
www.lseg.com

