



London
Stock Exchange

London is Mobilising Sustainable Finance

An aerial photograph of a dense, green forest. A dark asphalt road with white lane markings curves through the trees, starting from the top left and ending at the bottom right. A small white car is visible on the road near the bottom right. The text is overlaid on the top left of the image.

London Stock Exchange: Playing our part to tackle the climate crisis

As a leading global venue for sustainable finance, we are committed to continuing to play a leading role in the further development of market solutions to mitigate the climate crisis.

- The OECD has estimated that to limit global heating to 1.5 degrees pre industrial levels, \$6.3 trillion of investment will be needed annually.
- Stock Exchanges have for centuries been conveners - bringing together investors and the consumers of capital in service of an objective.
- The most important objective of our lifetimes is the just transition to a sustainable economy and we believe we have a duty to act and lead.
- It's imperative that we build a financial ecosystem that supports our natural ecosystem, which acts as the foundation on which our planet and economies are built.

Financing Sustainability to Foster Long Term Growth

Our Sustainable Finance strategy in Capital Markets is focused on four key areas to support clients:

- **Driving best practice in disclosure.** Helping issuers understand and implement consistent, decision-useful ESG disclosures that reflect investor needs and trends in regulation
- **Supporting the growth of the green economy.** Improving visibility of, and access to capital for green & sustainable commercial activities
- **Enabling the transition to a sustainable, low carbon economy.** Providing access to capital for transition projects, equipping companies with data to help develop credible transition plans
- **Convening the market.** Leveraging our important role at the centre of the financial ecosystem between corporates and investors to help drive the low carbon transition and foster engagement



London-listed Companies Support Global Sustainability Initiatives

London-listed companies are leading on their commitment to the various initiatives advocating for disclosure and transparency in the growing area of sustainable finance. It is vitally important that as the industry grows, companies can comply with a global standard of ESG disclosure as well as comparable ESG targets. London Stock Exchange companies are increasingly making public commitments on their emissions targets, ESG disclosure and diversity objectives. One of the key driving factors of these growing initiatives is the creation of a more supportive regulatory landscape which is actively focussed on mandating climate-related disclosures across industries.



RACE TO ZERO

There are 88 companies valued at nearly £1,300bn listed on LSE that have committed to Race To Zero, 60 issuers are part of the FTSE 100, valued at over £1,200bn and 15 issuers are part of the FTSE 250, valued at £35bn



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

There are 167 LSE listed companies which support the Science Based Targets Initiative, of which 61 companies are FTSE 100 constituents and 61 companies are FTSE 250 constituents



Transition Pathway Initiative

There are 38 LSE listed companies which are part of the TPI, these companies are valued at c.£1,937bn accounting for 34% of the total market cap of LSE



There are 25 LSE listed companies valued at over £1,700bn which are part of the CA100+ initiative, of which 11 companies are FTSE 100 constituents

Cross Asset Class Green Focus

Innovating in green economy equities, debt financing and funds

100+ ESG Indexes

ESG
Green Economy
Carbon emissions
Carbon reserves
Green Real Estate

300+ Green & Sustainable Bonds

Raised more than \$140bn*, supporting renewables, water, green infrastructure and sustainable development

250+ ESG ETFs

Average daily value traded in 2021 is \$39.1m**, up 141% on 2020

35 Green Funds

With an aggregate value of over \$20 billion

100+ Green Economy Companies

Those generating 50% or more of their revenues from 'Green Economy' industries, with an aggregate market capitalisation of c.\$210bn

London Stock Exchange's Global Sustainable Finance Offering Covers Every Continent

North America



12 **GEM** companies worth £3.8bn



6 **Green Funds** worth £2.0bn



15 **SBM** issuances raising £5.7bn



Debut green bond from a US muni from the San Francisco PUC in Oct 2020 raising £264m

Latin America



1 **GEM** company from **Brazil** worth £11m



14 sovereign bonds listed on **SBM** from Chile raising £17.3bn



2 sovereign bonds listed on **SBM** from Mexico raising £1.7bn

United Kingdom



83 **GEM** companies worth £60.3bn



28 **Green Funds** worth £14.3bn



203 **SBM** issuances raising £49.8bn



Debut sovereign green gilt listed in Sept 2021 raising £10bn

Europe (ex. UK)



10 **GEM** companies worth £27.8bn from Germany, Iceland, Ireland, Italy and the Netherlands



1 **Green Fund** worth £828m – Greencoat Renewables from Ireland



51 **SBM** issuances raising £10.1bn

Middle East & Israel



1 **GEM** company worth £150m – Lamprell from the UAE was a new addition in the 2021 cohort



1 **SBM** issuance raising £470m

Africa



3 **GEM** companies worth £111m



7 **SBM** issuances raising £4.1bn



2 sovereign bonds listed on **SBM**, one from Egypt and one from Benin

Greater China



2 **GEM** companies worth £67.7bn - SDIC Power and China Yangtze Power



23 **SBM** issuances raising £11.1bn



9 sovereign bonds listed on **SBM**, from Hong Kong raising £5.4bn

India, South East & East Asia



2 **GEM** companies worth £77m from Singapore and Indonesia



9 **SBM** issuances raising £2.2bn



Debut sovereign green bond from the Republic of Korea in Oct 2021 raising c.£600m

Oceania



2 **GEM** companies worth £169m from Australia



3 **SBM** issuances raising £464m



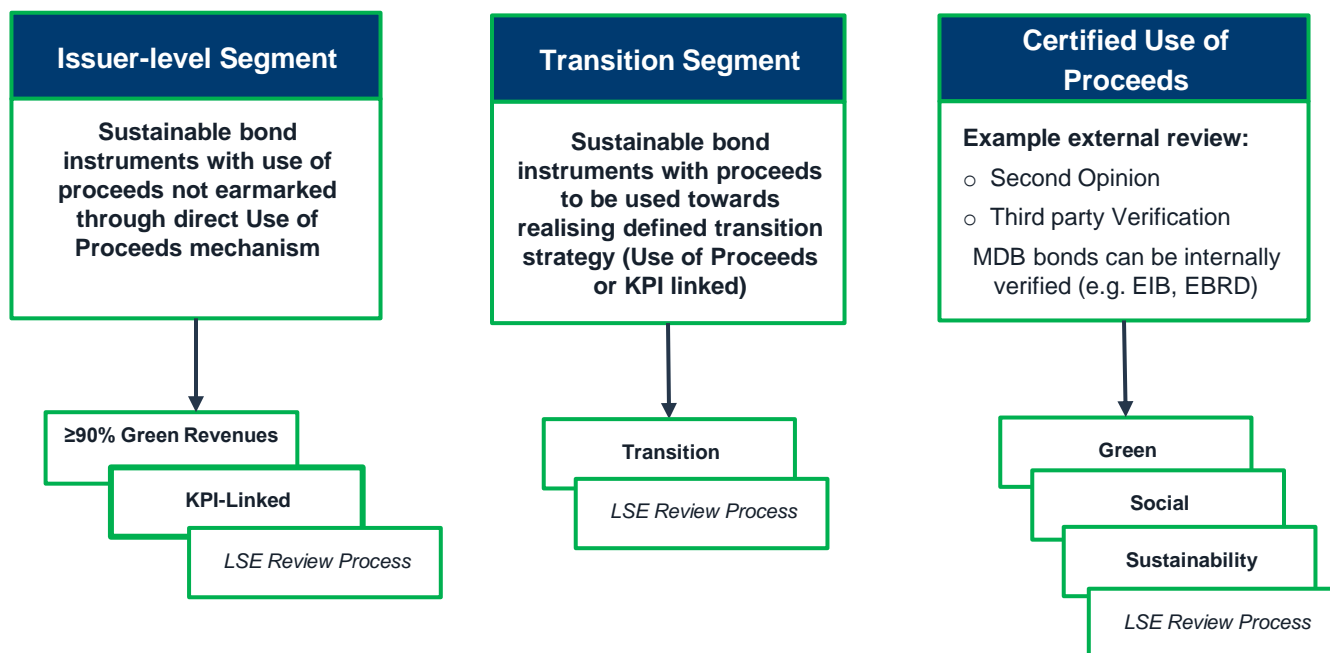
2 sovereign bonds listed on **SBM** from Fiji raising £21m

Sustainable Bond Market

Enhancing London's leadership in supporting Sustainable Finance



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London's Climate Transition Offering

Supporting all companies at every stage of their transition journey

Transitioning to low-carbon is a process that starts with understanding companies' preparedness for the transition and progresses to mobilising climate transition plans through our markets

Assess current climate reporting and transition planning

Discover best practice and areas for improvement

Mobilise climate transition plans

Inform

Educate

Facilitate Change

Climate Governance Score

- An assessment of companies' carbon management practices and incorporation of climate change considerations into business strategies.
- Indicating to companies **where they are now** vs where they need to be

Climate Guidance and Training

- Guidance document helps companies understand the climate disclosure material to investors
- Online training videos explore areas of developing climate disclosure regulation
- Offering guidance on **how companies get to where they need to be**

Equity and Debt Capital Raising

- Companies can leverage our markets to raise the capital needed to fund their robust transition plans
- Enabling **access to capital to transition to low-carbon**

Climate Governance Score

Helping issuers understand the key climate metrics that investors are focused on

435

No. of London-listed
companies covered by the
Climate Governance Score

2.77

Average CGS for FTSE 100
constituents

What is the Climate Governance Score?

The London Stock Exchange's Climate Governance Score is an assessment of companies' carbon management practices and incorporation of climate change considerations into business strategies. It is also a practical measure of how far a company has progressed towards the core elements of climate reporting defined by TCFD. However it is not a measure of companies carbon emissions nor the credibility of their targets.

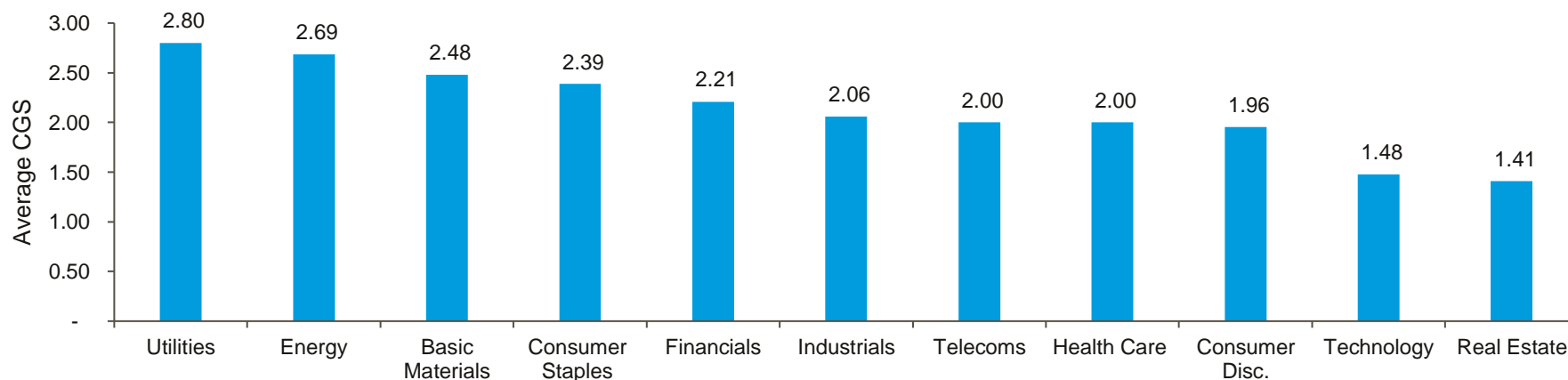
How is it calculated and who is it calculated by?

The underlying methodology for the Score is that of the Transition Pathway Initiative's (TPI) Management Quality Score (MQS). Using publicly disclosed data, TPI assesses the progress companies are making on the transition to a low-carbon economy in line with TCFD recommendations. The TPI methodology has academic and data rigour, working in partnership with the Grantham Research Institute and FTSE Russell.

How do issuers access their score?

The Climate Governance Score expands the use of the MQS methodology to all London-listed companies in the FTSE Russell research universe. Eligible companies are provided with a score between 0 and 4 as well as their industry average, all from within the issuer services platform on a confidential basis.

Average Climate Governance Score by Industry for LSE Issuers





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