

# TCFD

	TCFD recommendation	LSEG approach	2022 Enhancements	Reference
<b>Governance</b>	The board's oversight of climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>The LSEG Board has ultimate oversight of the sustainability agenda and strategy.</li> <li>Updated bi-annually on sustainability-related issues including climate risks and opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>The LSEG board has oversight of the Group Sustainability Policy.</li> <li>The Board Risk Committee has oversight of the Group Risk Framework including sustainability risks.</li> </ul>	LSEG 2022 Sustainability Report (page 37) LSEG 2022 Annual Report and Accounts (page 54)
	Management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>The Sustainability Committee is chaired by the Chief Corporate Affairs and Marketing Officer. The Chief Risk Officer and Chief Operating Officer are members of the Sustainability Committee.</li> <li>The Climate Transition Steering Committee is responsible for providing strategic direction on the Group's climate strategy and monitoring progress against targets, and it reports to the Sustainability Committee. The Committee meets monthly, and is chaired by the Group Head of Sustainability and Group Head of Operations.</li> </ul>	<ul style="list-style-type: none"> <li>Review initiated into Net Zero operational delivery governance structure.</li> <li>Operational lead appointed for delivery of climate transition plan.</li> </ul>	
<b>Strategy</b>	Identification of climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>Led by Group Sustainability, engagement occurs across our business units to identify and manage future climate-related risks and opportunities that have a material impact on our physical locations and our business model.</li> </ul>	<ul style="list-style-type: none"> <li>Extensive physical climate risk reviews of property portfolio are ongoing, including initiation of detailed environmental assessment.</li> <li>Plan to conduct reviews at a country and regional level, to identify areas of higher short to medium term risk for climate related incidents.</li> </ul>	LSEG 2022 Sustainability Report (page 9) LSEG 2022 Annual Report and Accounts (page 51)
	Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<ul style="list-style-type: none"> <li>LSEG's business purpose and commitment to sustainable growth reflects our approach and consideration of climate-related risks and opportunities in our products and services and business operations.</li> <li>The Climate Transition Steering Committee works across the business to activate on climate ambition and ensure future planning.</li> </ul>	<ul style="list-style-type: none"> <li>2022 saw continuing evolution in approach to climate risk, developing and enhancing our capability for addressing both physical and transition risks.</li> <li>Progress on physical climate risk as described above.</li> <li>Covering aspects of transitional climate risk, our Capital Markets division dedicated to sustainable finance innovation continues to grow and expanded its remit to cover Post Trade.</li> </ul>	
	Resilience of strategy under varying climate-related scenarios.	<ul style="list-style-type: none"> <li>Group Sustainability leads and co-ordinates projects to understand climate-related risks and opportunities against impact pathways to show operations and business exposure amid external changes in climate and subsequent impacts on the business in terms of costs and revenue.</li> </ul>	<ul style="list-style-type: none"> <li>Developed our assessment modelling capability to model emissions and impact.</li> <li>For long-term global exposure analysis, work has begun to rank locations based on risk levels identified and conduct a portfolio level analysis of exposure to natural hazards and climate change, utilising specific climate scenarios over discrete time horizons.</li> </ul>	

TCFD continued

	<b>TCFD recommendation</b>	<b>LSEG approach</b>	<b>2022 Enhancements</b>	<b>Reference</b>
<b>Risk management</b>	Processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> <li>Our Enterprise Risk Management Framework includes and embeds sustainability risks which are raised and owned by the business.</li> <li>Engagement of business units as BAU whilst executing transition plan.</li> </ul>	<ul style="list-style-type: none"> <li>Project to review the Group's risk taxonomy, building a risk driven RACI matrix and reviewing the sustainability risk management framework launched in 2022.</li> </ul>	LSEG 2022 Sustainability Report (page 9) LSEG 2022 Annual Report and Accounts (pages 56, 74 and 111 to 112)
	Processes for managing climate-related risks.	<ul style="list-style-type: none"> <li>Risks are managed day-to-day by business owners with support from Group Risk as second line of defence.</li> <li>Executive Committee and Sustainability Committee have oversight and management of sustainability-related risks and opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>As per above, this project will allow us to develop a consistent view of climate and sustainability-related risks.</li> </ul>	
	Integration of climate-related risks into overall risk management.	<ul style="list-style-type: none"> <li>Climate-related risks are embedded within the Enterprise Risk Management Framework.</li> </ul>	<ul style="list-style-type: none"> <li>Group Risk continue to be well represented across our governance structure.</li> </ul>	
<b>Metrics and targets</b>	Metrics to assess climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>Accurate data collection in place to support interim targets.</li> <li>Strategic external partnerships to drive accountable net zero metrics for the industry.</li> </ul>	<ul style="list-style-type: none"> <li>Significant progress in developing carbon accounting capability across the Group, enabling accurate capture and calculation of emissions.</li> </ul>	LSEG 2022 Sustainability Report (pages 17 & 41) LSEG 2022 Annual Report and Accounts (pages 15 and 58)
	Disclosure of scope 1, scope 2, and scope 3 greenhouse gas (GHG) emissions and the related risks.	<ul style="list-style-type: none"> <li>Combined data inventory reflecting legacy business emissions for 2019, 2020, 2021 and 2022 has been verified and published.</li> </ul>	<ul style="list-style-type: none"> <li>Significant progress in developing divisional-level carbon emission reporting capability.</li> <li>Detailed analysis of our supply chain and development of a robust, effective engagement strategy.</li> </ul>	
	Targets used to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> <li>New near-term science-based targets approved with 2026 and 2030 target dates. A long-term ambition to achieve net zero by 2040 has business support.</li> </ul>	<ul style="list-style-type: none"> <li>Detailed evaluation of 2040 net-zero ambition and impact across our glidepaths in progress.</li> </ul>	