



GREEN ECONOMY MARK

1.0 Overview

A growing number of companies and funds generate revenues from products and services which contribute to positive environmental outcomes. Asset owners and managers are increasingly seeking to deploy capital into these areas.

The Green Economy Mark identifies companies and funds, admitted to markets operated by the London Stock Exchange plc, that generate at least half of their revenues from products and services contributing to the global green economy. The Green Economy Mark forms part of our suite of sustainability products and services offered by the London Stock Exchange plc, identifying issuers whose core business activities support environmental solutions. It harnesses the diversity and breadth of products and services in the green economy across all sectors and industries.

The Green Economy Mark is data-driven, mapping issuer revenues from the products and services classified under Tier 1 and Tier 2 micro sectors of LSEG Data & Analytics (D&A)'s Green Revenues Classification System¹.

The Green Economy Mark is not an ESG rating, nor does it reflect broader sustainability credentials.

The Green Economy Mark may be provided at our absolute discretion by reference to the criteria set out within the Terms and Conditions ("**Green Economy Mark Terms and Conditions**" as available on our website). The Green Economy Mark is not a regulatory offering, accordingly there is no expectation nor obligation for its provision.

2.0 Criteria

2.1 Use of the Green Revenues Classification System ("GRCS")

The Green Economy Mark draws upon LSEG D&A's Green Revenues Classification System (GRCS).

The GRCS is a classification system created by LSEG D&A and is independent from the Green Economy Mark process. The GRCS has been developed to help investors and financial markets to better identify companies with products and services contributing to the green economy. Each micro sector in the GRCS is assessed against seven environmental objectives: climate change mitigation, climate change adaptation, pollution prevention and control, protection of healthy ecosystems, sustainable use and protection of water and marine resources, transition to a circular economy, waste prevention and recycling, and sustainable and efficient agriculture.

The Green Economy Mark's methodology to identify green products and services will remain aligned to the GRCS as it evolves.

Our application of the GRCS does not influence LSEG D&A's research coverage, methodology development or inclusion of securities within indices created by members of the London Stock Exchange Group such as FTSE Russell. Changes to LSEG D&A products and services are made by LSEG D&A at its absolute discretion. More information on the GRCS can be found on LSEG's website.

Whilst specific criteria does apply, there may still be instances where we exercise our discretion.

¹ https://www.lseg.com/content/dam/ftse-russell/en_us/documents/other/ftse-russell-green-revenues-classification-system.pdf

2.2 Companies

The Green Economy Mark is appropriate for companies admitted to trading on the Main Market or AIM, which fall within one of the following scenarios:

- 2.2.1 The company is included within LSEG D&A's Green Revenues Data Model (the "Data Model", which identifies companies with revenues derived from environmental products and services and classifies the green revenues based on the GRCS) and 50% or more of its revenues for the most recent review period are derived from Tier 1 and Tier 2 micro sectors of the GRCS;
- 2.2.2 Where the company is not included within the research universe of the Data Model, the company can demonstrate that 50% or more of its annual revenues are derived from Tier 1 and Tier 2 micro sectors of the GRCS; or
- 2.2.3 Where the company is pre-revenue, it can demonstrate that 100% of its business activity is related to the Tier 1 and Tier 2 micro sectors of the GRCS.

2.3 Funds

The Green Economy Mark is appropriate for funds admitted to trading on the Main Market or AIM, which fall within one of the following scenarios:

- 2.3.1 The Issuer demonstrates that 50% or more of the Issuer's investments (based on net asset value) fall within Tier 1 and/or Tier 2 micro sectors of the GRCS; or
- 2.3.2 Where the issuer has not yet made an investment, they must demonstrate that their investment policy aligns with the environmental objectives used to assess the micro sectors within the GRCS.

3.0 How is the process managed?

- 3.1 The provision of the Green Economy Mark is made by reference to the criteria set out in the Green Economy Mark Terms and Conditions, which must be satisfied both at the time of the Mark is provided and on an ongoing basis.
- 3.2 When considering whether the criteria is met, we may rely on the LSEG D&A Green Revenues data (disclosed data and estimated data based on public information), or on information that has been provided by the company or fund to us, which is supported and/or corroborated by information in the public domain.
- 3.3 We maintain a list of companies and funds which have been provided with the Green Economy Mark on our website. This list will make it clear whether any companies or funds are subject to a grace period.
- 3.4 Green Economy Mark marketing assets will be provided by reference to the criteria to companies and funds.
- 3.5 Further to any periodic review that we may undertake, the Green Economy Mark may be suspended or removed at our discretion. The issuer may be permitted to continue using it for a defined period, if they can demonstrate that their green revenues are reasonably likely to be reassessed (to 50% or more), by LSEG D&A (or the Exchange, if not included in the Data Model) by the end of such period. The duration of such a period will be determined by the Exchange but will typically last up to 12 months.

4.0 Further information

Use of the Green Economy Mark is subject to the Green Economy Mark Terms and Conditions (as available on our website).

Questions or complaints about the Green Economy Mark and process should be directed to sustainablefinanceenquiries@lseg.com.

Questions or complaints about the GRCS or underlying green revenues data should be directed to esgcontentandproductsupport@lseg.com and the query will be directed to the appropriate team.

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