



SUSTAINABLE BOND MARKET (SBM)

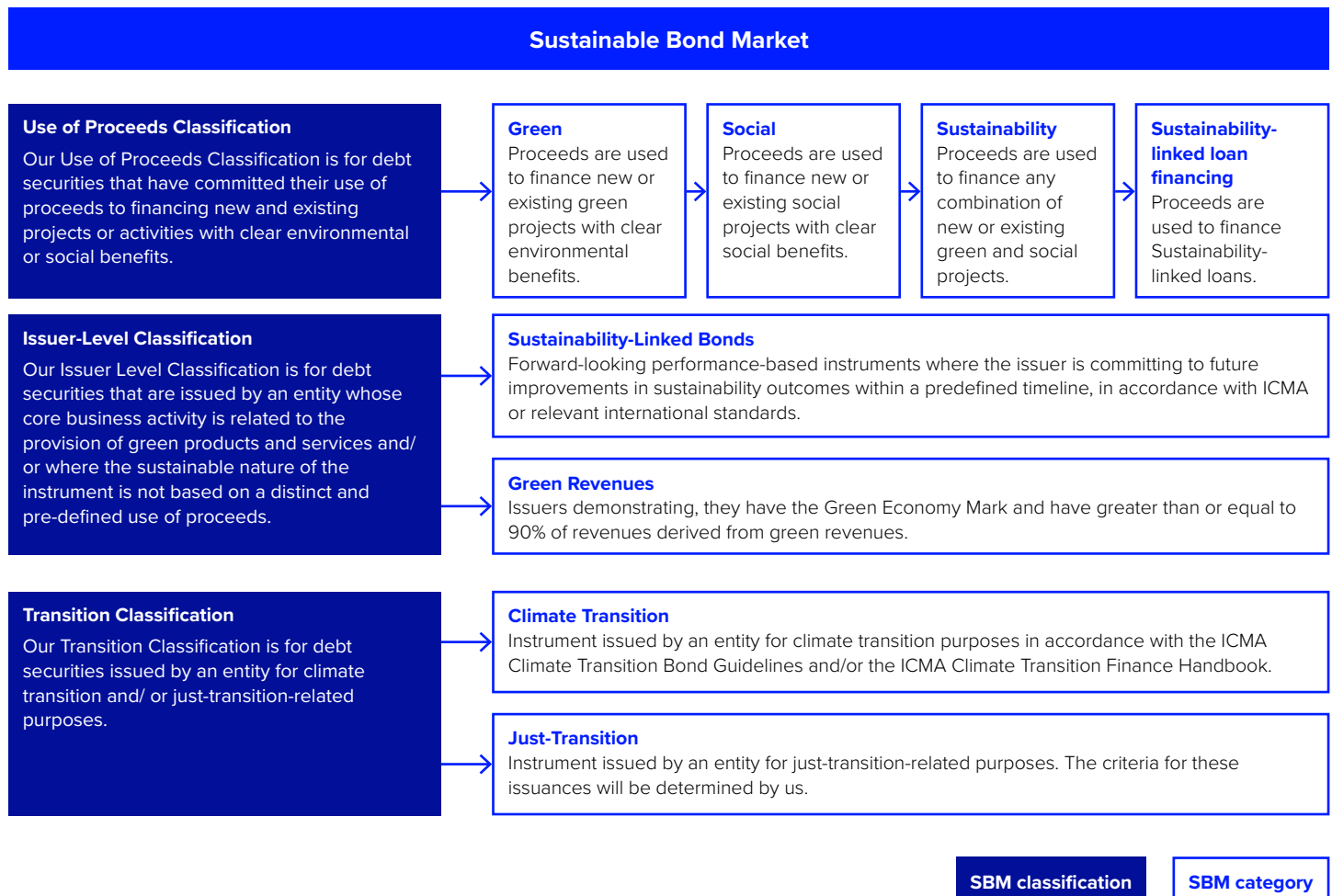
1.0 Overview

London Stock Exchange plc has sustainable finance offerings, covering both fixed income and equities. We were the first major exchange to provide visibility for green debt securities and have since developed the Sustainable Bond Market (“SBM”) as a broader offering for sustainable debt instruments.

We are committed to innovating to meet issuer and investor needs to support the transition to a low carbon economy and promote sustainable growth.

The SBM is designed to increase visibility of and access to investors for debt securities from issuers who are meeting internationally recognised sustainability standards. The SBM may be provided, at our absolute discretion, to an issuer by reference to the criteria set out within the SBM Terms and Conditions (the “**SBM Terms**”, as available on our website). SBM is not a regulatory offering, accordingly there is no expectation nor obligation for its provision.

The following diagram outlines the three different classifications and categories for the SBM. The specific criteria for each classification are set out in detail in the SBM Terms and include meeting the criteria of ICMA or other international or regional standards and guidelines, where appropriate. Whilst there are specific criteria for each of the different classifications, nevertheless there may be instances where we exercise our discretion.



2.0 Classifications

Market participants should consider the specific criteria for each classification are set out in detail in the SBM Terms

2.1 Use of Proceeds Classification

Our Use of Proceeds Classification is for debt securities that have committed their use of proceeds to financing new and existing projects or activities with clear environmental and/or social benefits. Our Use of Proceeds Classification encompasses the following:

Category	Description of Use of Proceeds
Green	Proceeds are used to finance new or existing green projects with clear environmental benefits.
Social	Proceeds are used to finance new or existing social projects with clear social benefits.
Sustainability	Proceeds are used to finance any combination of new and/or existing green and social projects.
Sustainability-linked loan financing	Proceeds are used to finance Sustainability-linked loans.

The Use of Proceeds Classification requires the issuer's bonds to meet the pillars of the Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines or one of the international and/or regional standards and guidelines set out in the list on our website. The issuer must have in place one or more green, social and/or sustainable finance frameworks in place as well as an external review of this framework. Annual post-issuance reporting is also required until full allocation of proceeds.

We have an exemption for supranational issuers from obtaining an external review if certain requirements are met (as set out in the SBM Terms).

Further, to ensure transparency, where bonds do not have an external review, they will be flagged as "self-certified" within the specialist bonds list available on our website.

2.2 Issuer Level Classification

Our Issuer Level Classification is for debt securities that are issued by an entity whose core business activity is related to the provision of green products and services and/or where the sustainable nature of the instrument is not based on a distinct and pre-defined use of proceeds. Within the Issuer Level Classification, the following categories exist:

Category	Description of Use of Proceeds
Green revenues	Issuers who have been provided with the Green Economy Mark and can demonstrate that 90% or more of total consolidated revenues are derived from green revenues, as per the criteria set out in the SBM Terms.
Sustainability-Linked	Forward-looking performance-based instruments whereby the issuer is committing to future improvements in sustainability within a predefined timeline. The debt securities will likely have been issued in accordance with the ICMA Sustainability-Linked Bond Principles (SLBPs) or similar international or regional standards, which require disclosure such as: specific KPIs, sustainability performance targets, bond characteristics and reporting commitments. Post-issuance disclosure is also required.

2.3 Transition Classification

Transition bonds are an evolving subset of sustainable debt finance instruments, whereby the issuer is raising funds in debt markets for climate and/or just transition-related purposes. Transition bonds may sometimes involve issuers from high emitting sectors.

An issuer of a climate transition bond must state that it complies with the ICMA Climate Transition Bond Guidelines and/or ICMA Climate Transition Finance Handbook, and its transition framework has been subjected to an external review.



3.0 Process

3.1 Criteria

Provision of the SBM is made by reference to the criteria set out in the SBM Terms being met both on provision and on an ongoing basis.

3.2 Application form

In order to process an SBM application, we require an application form to be completed. This includes providing relevant information in respect of the specific category and acknowledging the criteria to be met on an ongoing basis.

3.3 Periodic review

Further to any periodic review that we may undertake, we may suspend or remove the SBM, or else at our discretion the issuer may continue to use it for a defined period, where it can demonstrate that it will be able to comply with the SBM Terms by the end of such grace period.

4.0 Publication of Sustainability-Related Documentation

- 4.1** Once an issuer's debt securities have been added to the SBM, the issuer can request for key sustainability-related disclosure documents to be made available on the issuer's Company Page on our website.
- 4.2** A specialist bonds list is available on our website, which has a sustainable bonds tab that includes further detailed information, including the underlying nature of the instrument and its status.
- 4.3** Issuers, by reference to the criteria set out in the SBM Terms can use the SBM trademark on marketing materials and investors presentations.

5.0 Further information

Use of the SBM and the SBM trademark is subject to the SBM Terms (as available on our website).

To find out more, contact the Fixed Income Team at bonds@lseg.com or see our [website](#).



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