

The Green Economy Mark Five years of green growth



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Foreword



Dame Julia Hoggett DBE

CEO, London Stock Exchange plc

This year we celebrate the fifth anniversary of the London Stock Exchange's pioneering introduction of the Green Economy Mark, which made us the first global exchange to introduce a green economy identification tool for equities. The Green Economy Mark is data driven, mapping company revenues and fund investments to the FTSE Russell's Green Revenues Classification System. Those with 50% revenue alignment or greater are provided with the Mark, to highlight their contribution to the global green economy.

Our fifth annual report highlights how the green economy is evolving and celebrates the innovations and achievements of all the issuers on our markets who hold the Green Economy Mark: from low-cost computing to the circular economy, from advanced materials to clean power, they are all driving economic growth, creating green jobs, spurring technological innovation, and generating environmental benefits. Ultimately, through their business activities, these companies are all positively contributing towards our shared journey to net zero, helping the real economy transition into one that is more environmentally sustainable and low-carbon. Our report also highlights how the capital markets are helping to make that happen.

The just transition to a resilient, low-carbon economy is an environmental and economic imperative. But addressing the world's environmental challenges is also a global growth opportunity. Entering 2024, the global green economy reached US\$7.2 trillion of market capitalisation.¹ The market capitalisation of the green economy has expanded at a 10-year compound annual growth rate of 13.8% versus 8.3% for global equity markets.² ►

¹ <https://www.lseg.com/en/insights/investing-green-economy-2024-growing-fractured-landscape>

² <https://www.lseg.com/en/insights/investing-green-economy-2024-growing-fractured-landscape>

Entering 2024, the global green economy reached US\$7.2 trillion of market capitalisation.¹

To address the wide range of environmental challenges we face – including greenhouse gas emission, biodiversity loss and plastic pollution to name a few – the green economy still needs to grow substantially. Transformational green innovations need capital at scale, and this is where the London Stock Exchange plays a vital role.

We have often described the London Stock Exchange as a convenor. For more than 300 years, our markets have brought together those who have capital with those who need capital in service of an objective – and arguably there is no greater objective for our generation than the just transition to net zero. The London Stock Exchange is uniquely placed to facilitate capital flows directed towards the green economy and the low-carbon transition, to build and foster dialogue between companies, investors and policymakers, and advocate for better and more uniform disclosure standards and we do not shy away from that responsibility.

Disclosure standards are playing a critical role in contributing to the integrity of financial markets, by providing material information that investors require when deciding where to allocate their capital. At the London Stock Exchange and the wider London Stock Exchange Group, we are aware of the importance of ensuring that investors have the information they need, whilst also ensuring that companies are able to meet those requirements in a reasonable manner that does not make meeting that data provision requirement too expensive or complex for companies of all sizes and scales. It is precisely because of this that we are playing an active role with policymakers and our peers to support efforts to harmonise global standards and provide guidance to help our issuers understand best practice. ►

Capital markets play a pivotal role in helping societies make the difficult but possible shift from facing climate and other environmental challenges, to embracing the opportunities of the global transition to a sustainable, low-carbon economy. We must be clear about both the importance of these efforts and the opportunities they present so that we are focused on how to navigate the headwinds the world will face – from supply chain disruptions to inflation or protectionism.

The diversity of this year’s Green Economy Mark cohort illustrates how these opportunities are being seized across many sectors and regions. After all, although these companies are listed on London’s equity markets, their impact is global as are their investors. As you will read in the case studies within this report, the companies with our Green Economy Mark are doing remarkable things. It is encouraging to see their progress and the London Stock Exchange will continue to support them, along with all of our issuers, as they tackle our planet’s environmental challenges.



London: at the heart of the global green economy

#1

London was ranked first in the 2024 Global Green Finance Index

The UK has been a consistent global leader in sustainable finance – for example as the first G20 country to require Taskforce on Climate-related Financial Disclosure-aligned (TCFD) disclosures across the economy.³ This leadership has been widely recognised: London was ranked first in the 2024 Global Green Finance Index (GGFI 13),⁴ which evaluates green finance offerings from 96 major financial centres around the world. London has held this highly regarded position for five years running⁵ and the London Stock Exchange has itself been named Environmental Finance's Exchange of the Year for sustainable finance for four of the last five years.⁶

With the deepest and most active capital markets in Europe and ranking second in Europe for the most attractive renewable investment opportunities,⁷ the UK is playing a vital part in supporting the global transition to net zero. Closed-end funds (of which many hold the Green Economy Mark – see [NextEnergy Solar Fund case study](#)) and debt issuers with instruments on the London Stock Exchange's Sustainable Bond Market, are helping to fund major green infrastructure projects around the world.

London is also championing the green economy companies of the future. Our Invest in Innovation partnership with Innovate UK provides encouraging evidence of a healthy and large generation of emerging new green businesses across the UK.

Cutting-edge green innovations are emerging out of our world-class universities and research institutions. According to the research firm Beauhurst, clean tech companies from academic roots are three times more likely than UK firms from other sectors to be spun out of

³ <https://www.gov.uk/government/publications/green-finance-strategy/mobilising-green-investment-2023-green-finance-strategy#fnref:85>

⁴ https://www.longfinance.net/media/documents/GGFI_13_Report_2024.04.23_v1.0.pdf

⁵ <https://uk.finance.yahoo.com/news/london-keeps-spot-world-top-184833727.html?guccounter=1>

⁶ <https://www.environmental-finance.com/content/awards>

⁷ UK Government Green Finance Strategy 2023, citing EY (2023) Report: The most attractive markets for renewable energy investment. <https://www.gov.uk/government/publications/green-finance-strategy/mobilising-green-investment-2023-green-finance-strategy#fnref:78>

universities⁸ (see the [Ceres Power case study](#), a spin-out from Imperial College.) Grant funding and public-private initiatives such as Innovate UK's Investor Partnerships, are supporting cutting-edge clean tech R&D and ambitious trials. One in seven of the visible green economy scaleups⁹ in the UK were awarded Innovate UK Funding via 186 separate awards, totalling investment of £60.2 million.¹⁰

Early-stage green economy investment has been resilient in the UK, supported by tax incentives such as the Enterprise Investment Scheme. However, to ensure a vibrant and growing ecosystem of green companies, we need financing options to be available at all stages of a company's growth, so that they innovate, grow and remain in the UK.

Early-stage equity funding in the UK clean tech sector remained buoyant in 2023, attracting £2.6 billion in venture capital investment.¹¹ Across Europe, the climate tech sector was the biggest category for tech investment in 2023, accounting for an estimated 27% of all capital invested in European tech in 2023, and more than doubling its share of investment since 2021.¹²

These are the budding private companies that will continue to drive the green economy forward in the future.

The role of the public markets and the international investor base is critical in supporting the later growth stages of these companies. The Green Economy Mark is one way that we are making these companies more visible to investors and through this encouraging more companies to disclose their green revenues.



“The number of exciting high-growth companies in the green economy is increasing – and our aim is to ensure that their needs can be met in the UK so that founders can start great green companies here and have a long-term home for them. Through regulatory reform, such as the Private Intermittent Securities and Capital Exchange System (PISCES), we, at the London Stock Exchange, will be creating new funding opportunities for green economy businesses by bridging the gap between the private and public markets. This will create a further boost for green scaleups in the UK and internationally.”

Charlie Walker

Deputy CEO, London Stock Exchange plc

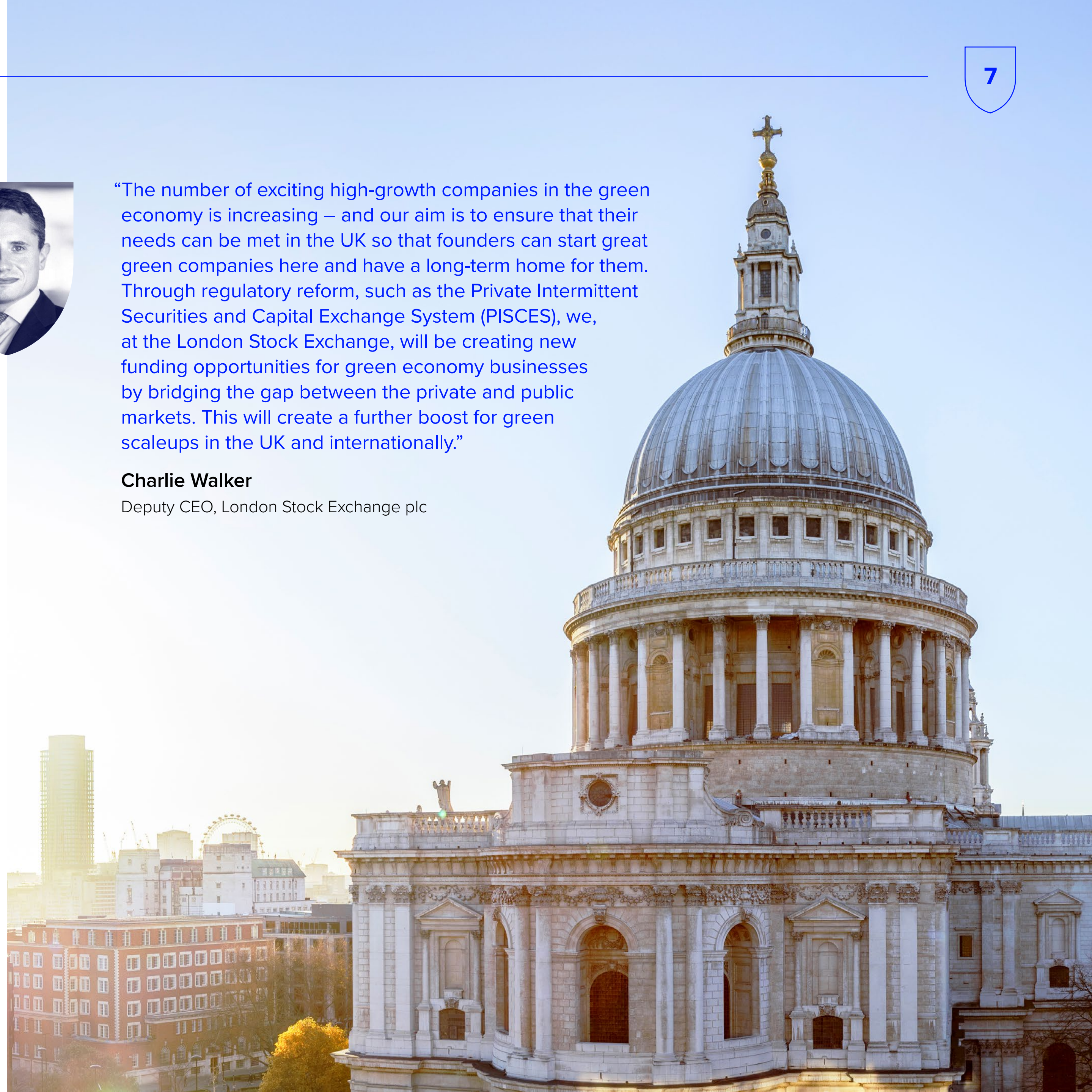
8 <https://www.beaurost.com/blog/top-greentech-companies>

9 'Visible scaleups' are turnover greater than £10.2 million and/or assets greater than £5.1 million. https://www.scaleupinstitute.org.uk/wp-content/uploads/2022/09/SUI-Green_Economy_2022-Final.pdf

10 https://www.scaleupinstitute.org.uk/wp-content/uploads/2022/09/SUI-Green_Economy_2022-Final.pdf

11 Charting the progress: Cleantech for UK report https://assets-global.website-files.com/63e633a0ccb1101f378c626/660ff30fe677076577524357_CTFUK_report_2023_.pdf

12 Atomico, State of European Tech, <https://stateofeuropeantech.com/executive-summary#C1-0-funding-by-sector>



Five years of the Green Economy Mark

Launched in 2019, the Green Economy Mark was a world-first, data-driven solution designed as a tool to demonstrate a universe of ‘green economy’ equities.

For issuers, investors and advisers alike, it provides an important and different lens through which to look beyond traditional industry sector classifications. The green economy comprises a wide range of companies in addition to ‘pure play’ green infrastructure and technologies (companies focused solely on green infrastructure and technologies) – allowing the market to see the bigger picture across the broader economy.

It is specifically designed to help investors seeking to deploy their capital into companies and funds that are enabling net positive environmental benefits through the end-use of their products. The diversity and breadth of this year’s cohort alone, highlights the value of the Green Economy Mark to investors in providing visibility to an international and cross-sector universe of green equities beyond those products and services typically referenced as green.

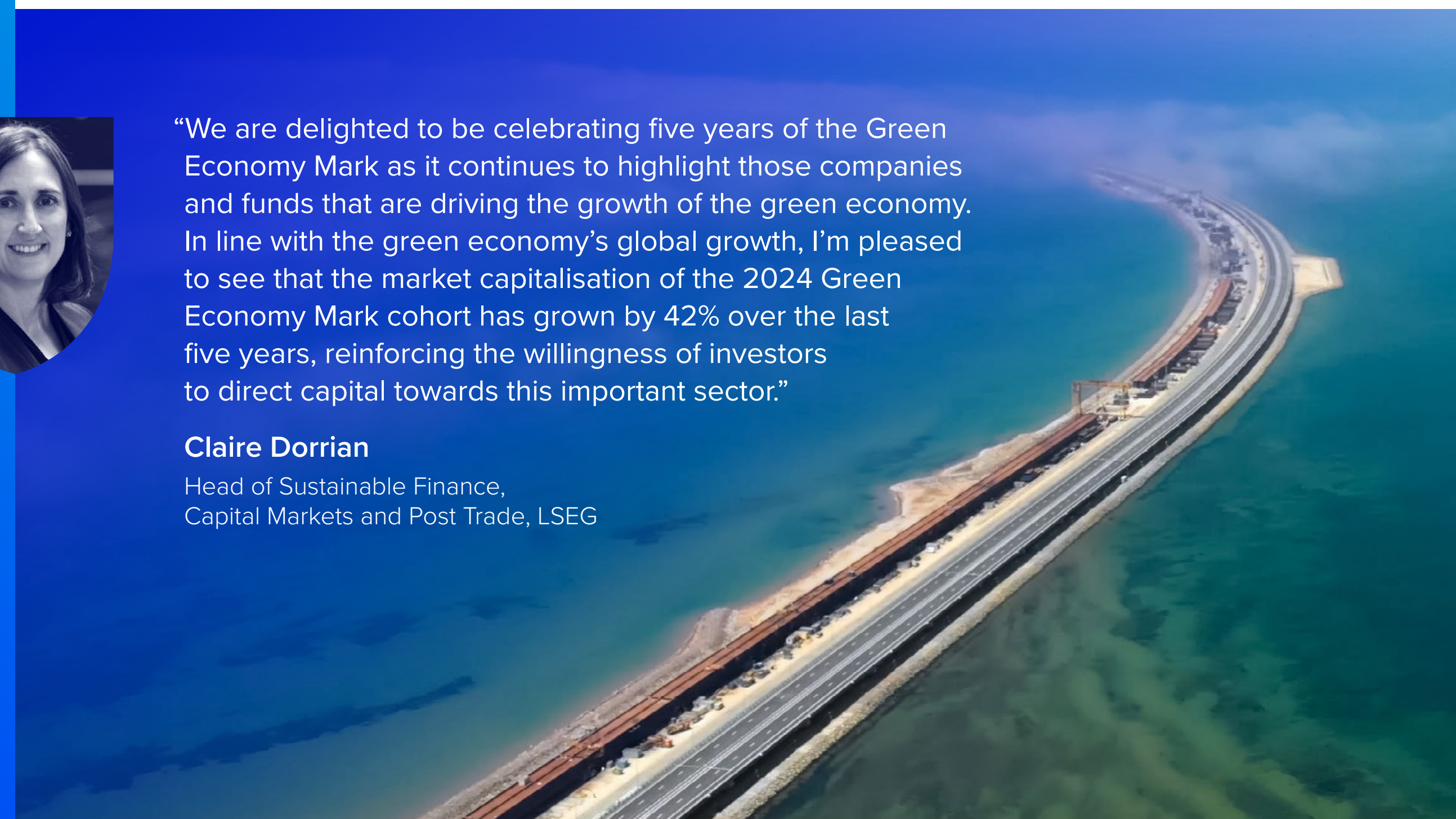
The Green Economy Mark is unique in that it is not an ESG score, nor does it provide an opinion on a company’s broader sustainability credentials. The Green Economy Mark is focused on revenues generated from products and services that have deliver net positive environmental benefits through their end use. Deriving revenues from green products and services is distinct from having a strong environmental, social and governance performance, which is captured through ESG data and scores. ►



“We are delighted to be celebrating five years of the Green Economy Mark as it continues to highlight those companies and funds that are driving the growth of the green economy. In line with the green economy’s global growth, I’m pleased to see that the market capitalisation of the 2024 Green Economy Mark cohort has grown by 42% over the last five years, reinforcing the willingness of investors to direct capital towards this important sector.”

Claire Dorrian

Head of Sustainable Finance,
Capital Markets and Post Trade, LSEG





“These days, technology is embedded in almost everything we do. While it improves our lives, the tech industry is very conscious of the environmental pressures it creates. This includes increased energy and resources needed to power and cool data centres, as well as the demand for critical metals in microchips and batteries. Technology is crucial in our drive to achieve net zero and touches many areas, such as electric vehicles, trading carbon credits, heat pumps, direct carbon capture, vertical farms, low-power compound semiconductors, and the production of new materials like faux leather and pea-protein-based packaging.

Companies that create technology for good and drive green innovation are more attractive to sustainability-conscious customers, employees, and investors alike. The London Stock Exchange hosts many leading tech innovators poised to seize this opportunity and what better way to find them than our Green Economy Mark.”

Neil Shah

Head of Tech, Primary Markets,
London Stock Exchange plc

The number of companies and funds to hold the Green Economy Mark has grown steadily over the last five years. At the time of launch, 74 issuers with a combined market capitalisation of £55 billion met the Green Economy Mark criteria. Today, the Mark is held by 108 issuers. They represent 6% of all London listed companies and have a combined market capitalisation of £172.8 billion.¹³

If it were classified as a sector in its own right, the Green Economy Mark cohort would comprise the fifth largest in terms of capital raised on the London Stock Exchange over the past two years¹⁴ – larger than sectors such as real estate and industrials. The green economy represents a significant strategic growth opportunity.¹⁵

The Green Economy Mark cohort is making a substantial and measurable contribution to the development of the global green economy and the shift towards low-carbon business models. The cohort is building wind and solar farms; developing and investing in battery storage technologies and capacity; helping to decarbonise construction and build the circular economy.

The market capitalisation has also increased: since 2020 (a year after launch) the combined market cap of the Green Economy Mark cohort has grown by over £100 billion (from £67.7 billion to £172.8 billion). Institutional investment in the cohort has risen 24% over the period – from £45.2 billion in 2019 to £56.3 billion in 2024.¹⁶ Retail investors are also responding to the green economy, as can be seen in the [NextEnergy Solar Fund case study](#).

The companies and funds in the 2024 cohort have seen their aggregate market capitalisation increase by 42% over the past five years,¹⁷ while the value held by institutional investors in 2024 Green Economy Mark issuers who have been in the cohort since inception has increased by 50% – from £22.1 billion to £33.1 billion¹⁸ – underlining how investors are focusing on long-term green growth. ►

¹³ As of 14 June 2024. Source: the London Stock Exchange, LSEG Workspace.

¹⁴ Capital raising data includes transactions completed between June 2020 and June 2024. Data sourced from Dealogic and the London Stock Exchange.

¹⁵ <https://www.lseg.com/en/insights/spotting-the-opportunities-in-sustainable-investment#anchor1>

¹⁶ As of 31 May 2019 and 31 May 2024. Source: the London Stock Exchange, LSEG Workspace.

¹⁷ As of 14 June 2019 and 14 June 2024. Source: the London stock Exchange, LSEG Workspace.

¹⁸ As of 31 May 2019 and 31 May 2024. Source: the London stock Exchange, LSEG Workspace.

As the cohort has grown, the diversity of its composition has remained consistent:

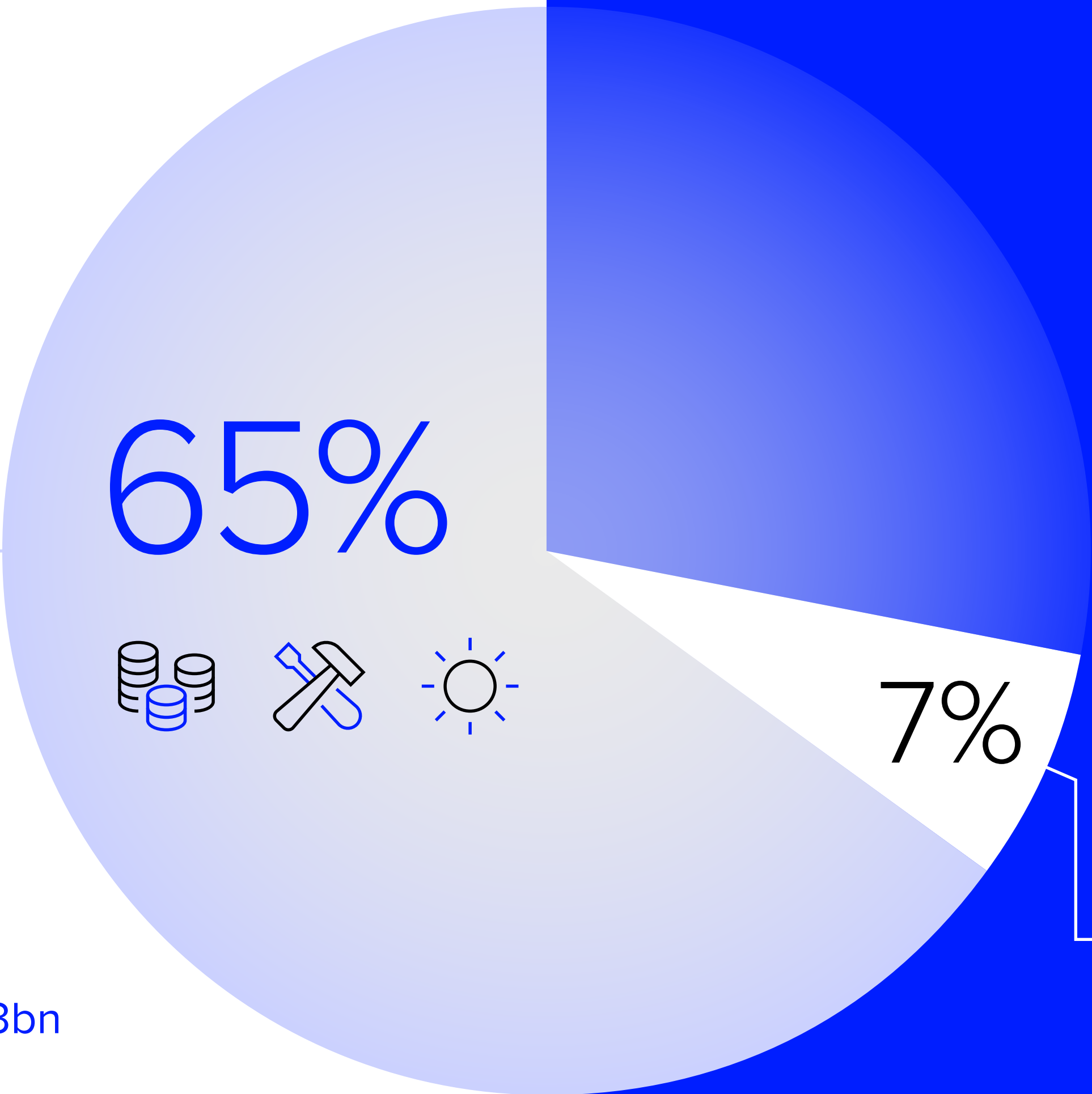
The majority of the Green Economy Mark cohort are well-established firms but early-stage pre-revenue companies have also been consistently represented, showing how companies can utilise the public markets to invest in their green transition but also to bring new green technologies to commercialisation (see the [Ceres Power case study](#)).

In terms of industry composition, **finance**, **industrials** and **energy** have consistently been the three largest sectors, accounting for two-thirds of the cohort (this year 65%). There is a total of 31 Green Economy Mark issuers from the financial sector: 28 of these issuers are green funds.

Green Economy Mark – growth in utilities sector



The **utilities** sector has been a consistent presence in the cohort and has increased its market capitalisation by the greatest amount – from £18.6 billion in 2020 to £106.3 billion in 2024.¹⁹



However, sector representation within the cohort is also evolving.

Finance and **consumer discretionary** have been the sectors to increase their representation; consumer discretionary – a sector which includes everything from energy-efficient car parts to energy-efficient homes – has grown in market capitalisation by over 300% and finance by 36%.²⁰

Green Economy Mark – growth in finance and consumer discretionary sectors



Notably, the market capitalisation of **technology** companies with the Green Economy Mark has seen consistent growth, increasing by **169%** since 2020 (£608 million to £1.6 billion),²¹ with the sector now representing 7% of the cohort by number.

19 As of the 2020 cohort and 14 June 2024. Source: the London Stock Exchange, LSEG Workspace
20 As of the 2020 cohort and 14 June 2024. Source: the London Stock Exchange, LSEG Workspace
21 As of the 2020 cohort and 14 June 2024. Source: the London Stock Exchange, LSEG Workspace

The drivers of the green economy

Access to capital

Investors and banks have made net zero commitments, causing them to shift their capital allocations, focus on reducing financed emissions, and set targets for green lending. According to a BlackRock survey, 56% of global institutional investors expect to increase their allocation to climate transition strategies over the next one to three years,²² with banks seeking to align their assets with eligible activities categorised under the EU Taxonomy. In addition, members of the Net Zero Banking Alliance have committed to “aligning lending and investment portfolios with net zero emissions by 2050” with “intermediate targets for 2030 or sooner.”²³

Therefore, investors and banks will require – and may lean towards – those companies and funds with strong, evidence-based green credentials such as those with the Green Economy Mark.

²² BlackRock iResearch Services global survey of 200 institutional investors with US\$8.7 trillion of assets. May–June 2023. <https://www.blackrock.com/corporate/sustainability/low-carbon-transition/institutional-investor-survey>

²³ <https://www.unepfi.org/wordpress/wp-content/uploads/2023/03/10-NZBA-PRB-Commitment-statement-D3.pdf>

The scale of the market opportunity

According to Net Zero Tracker, almost two-thirds (66%) of the annual revenues of the world's largest 2,000 companies are now covered by a net zero target. The aggregate annual revenue covered by net zero targets is US\$27 trillion.²⁴ Many companies are seeking to reduce their emissions by creating supplier engagement targets to reduce their supply chain emissions; activating such decarbonisation efforts is seen as a critical and effective pathway to net zero.

Supplying the goods and services necessary to reach global net zero ambitions is estimated to be worth up to £1 trillion to UK businesses by 2030.²⁵ Companies developing solutions that will support the greening of supply chains will be best placed to benefit from these opportunities.

The business transformation required to reach net zero will not only create new markets within the UK but also enable early movers to develop new export markets as the rest of the globe decarbonises. Exports within low-carbon and renewable-energy industries are growing significantly faster than exports from the broader economy.²⁶

Consumer demand

A worldwide survey of consumers showed that nearly half (46%) are buying more sustainable products to reduce their personal impact on the environment, including changes to food purchases, making more sustainable travel choices and selecting renewable energy sources where available.²⁷ This illustrates the concept of double materiality, where there is an increasing focus not only on how environmental risks impact businesses financially but also on how businesses impact the environment and society. An opportunity for companies to highlight the green credentials of their products. The same survey found that its respondents would be willing to pay 9.7% above average price for sustainable produced or sourced goods.

²⁴ <https://zerotracker.net/analysis/new-analysis-half-of-worlds-largest-companies-are-committed-to-net-zero>

²⁵ McKinsey (2021), <https://www.mckinsey.com/capabilities/sustainability/our-insights/opportunities-for-uk-businesses-in-the-net-zero-transition>

²⁶ <https://www.gov.uk/government/publications/green-finance-strategy/mobilising-green-investment-2023-green-finance-strategy#fnref:3>

²⁷ <https://www.pwc.com/gx/en/issues/c-suite-insights/voice-of-the-consumer-survey.html>

Increasing regulatory focus

Policymakers are using regulation to encourage capital flows in support of their climate change and green economy priorities. Many jurisdictions are defining their taxonomies to outline which economic activities can be considered ‘green’ within their own jurisdictions in order to channel investment towards green assets. Around the world, 47 sustainable finance taxonomies (ranging from formal regulatory tools to lists of eligible activities such as green bond frameworks) have been issued,²⁸ highlighting the growing global demand for sustainable investing, and the potential commercial opportunities.

Examples of current sustainable finance regulation:

- The EU’s Sustainable Finance Disclosure Regulation (SFDR) has imposed requirements on fund managers to raise their levels of disclosure around sustainability and their labelling of funds.
- Under the EU’s Corporate Sustainability Reporting Directive (CSRD) corporates that are in-scope will be required to report environmental and sustainability metrics according to EU standards. LSEG analysis has shown that along with approximately 50,000 European companies, at least 10,300 non-EU companies will be subject to the CSRD.²⁹
- The UK’s Sustainability Disclosure Requirements (SDR) has set out disclosure requirements and an investment labelling regime for asset managers.
- Singapore will introduce mandatory climate reporting for all listed and large corporates, phased in from FY2025, with requirements aligned with the International Sustainability Standards Board (ISSB).
- The Australian Government has announced plans for mandatory climate-related financial disclosure requirements for large businesses and financial institutions, with legislation currently before the Parliament. It has also confirmed plans to develop a sustainable investment product labelling regime.

LSEG is proactive in supporting efforts to deliver investment-grade ESG and climate disclosures that can be applied consistently. In 2024, we lead a call to action alongside the Principles for Responsible Investment, United Nations Sustainable Stock Exchanges Initiative, and World Business Council for Sustainable Development in calling for a commitment from relevant authorities across jurisdictions to adopt the ISSB standards – IFRS S1 and IFRS S2 – on an economy-wide basis, by 2025.³⁰

We have also supported the development of the UK’s Transition Plan Taskforce (TPT) Disclosure Framework, which will provide further support in delivering more consistent climate-related disclosures. We welcomed the ISSB’s announcement that it will assume responsibility for the TPT Disclosure Framework and supporting materials.³¹



“When it comes to the green economy, London gets it. The depth and breadth of London’s markets provides a deep pool of capital to help lead the transition to a sustainable and low-carbon economy. As the world’s most international capital market, London has a pivotal role in enabling investment flows into the global green economy. The Green Economy Mark has been welcomed internationally as providing a unique universe for ‘green economy’ equities.”

Tom Attenborough

Head of International Business Development, Primary Markets, London Stock Exchange plc

28 <https://blogs.worldbank.org/en/psd/global-search-define-sustainable-finance-taxonomy>

29 <https://www.lseg.com/en/insights/risk-intelligence/how-many-non-eu-companies-are-required-to-report-under-eu-sustainability-rules>

30 https://www.lseg.com/content/dam/lseg/en_us/documents/sustainability/call-for-issb-adoption.pdf

31 <https://www.ifrs.org/news-and-events/news/2024/06/issb-delivers-further-harmonisation-of-the-sustainability-disclosure-landscape-new-work-plan>

The Green Economy Mark in numbers

The green economy is large, diverse and multi-faceted – and is defined as one in which value and growth are maximised across the whole economy, while natural assets are managed sustainably. It also builds our capacity to adapt to climate change, develop circular systems and protect biodiversity. Companies and funds that have met the criteria for the Green Economy Mark range from renewable energy to the circular economy, from cloud computing to vertical farming, from infrastructure to withstand climate impact to smart agricultural practices.

They are not all ‘pure play’ companies; superficially, many may not be immediately identifiable as green but have strong underlying green credentials and associated revenues that can be mapped to FTSE Russell’s Green Revenues Classification System, which underpins the Green Economy Mark. [The case study on Raspberry Pi](#) in this report provides a good example of this.

Key features of the 2024 Green Economy Mark cohort

Obtaining the Green Economy Mark is a significant achievement – just 6% of the issuers on London’s equity markets generate the demanding threshold of 50% or more green revenues to receive it.

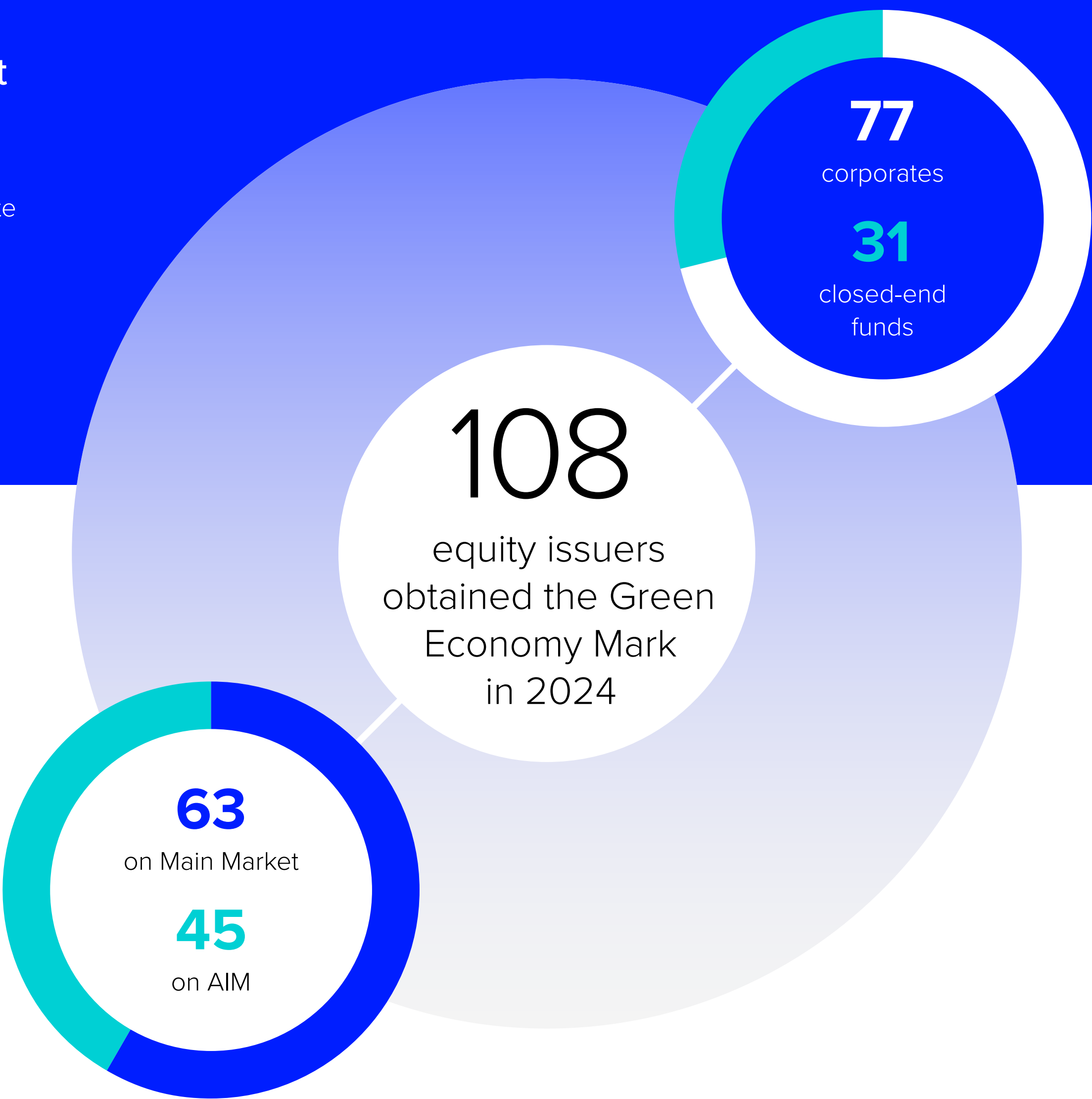
The Green Economy Mark cohort has

£172.8bn

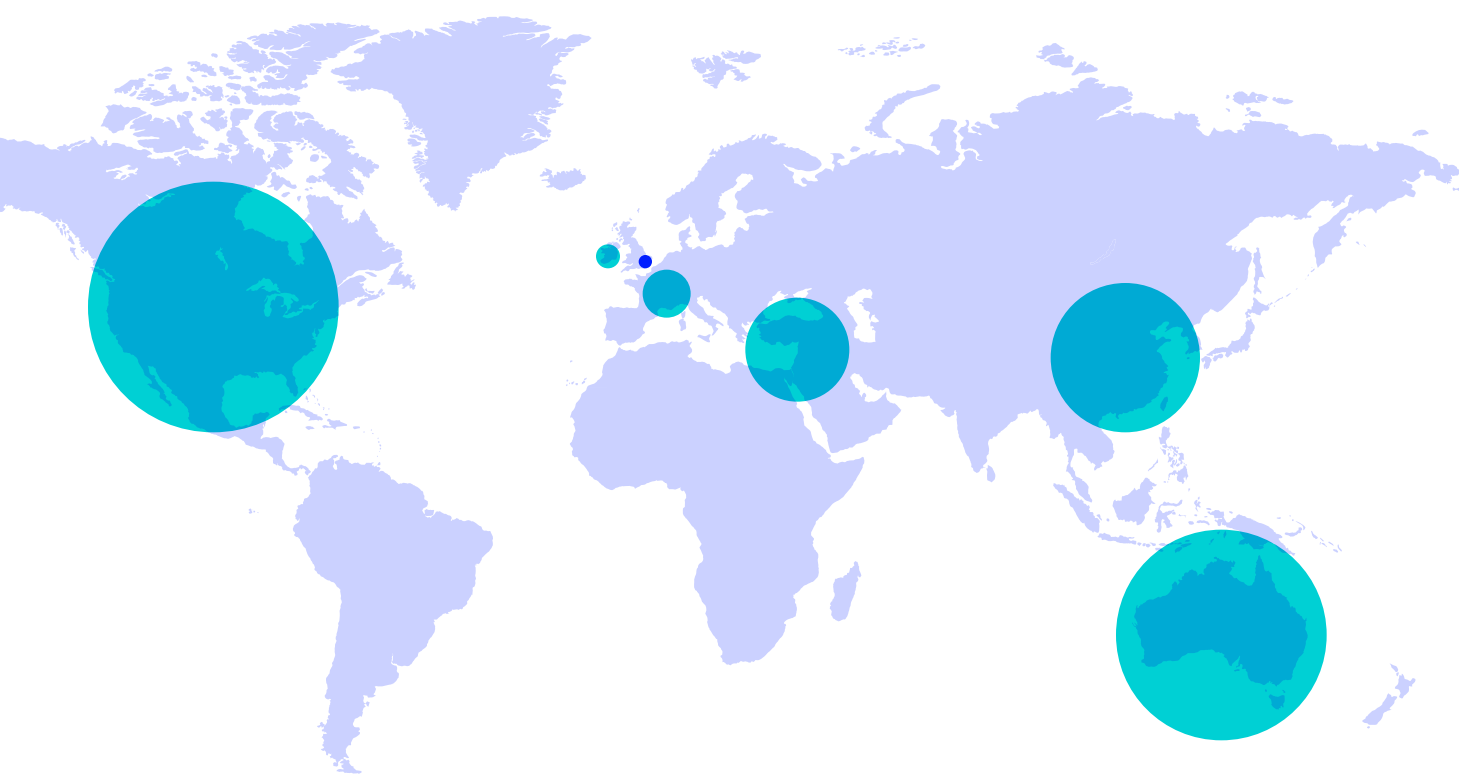
combined market capitalisation representing

3%

of the London Stock Exchange’s total equity market capitalisation

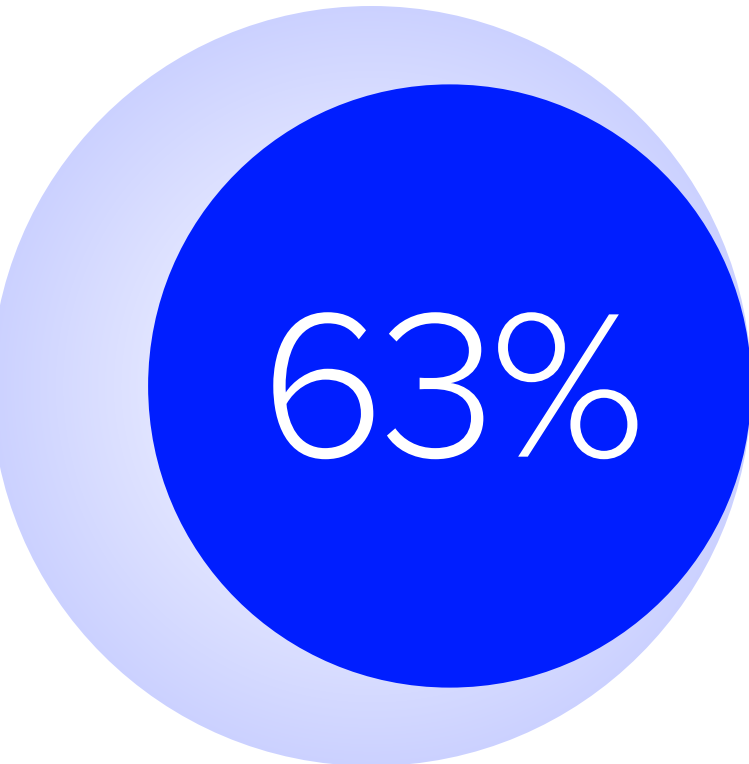


All data is as of 14 June 2024 unless otherwise stated

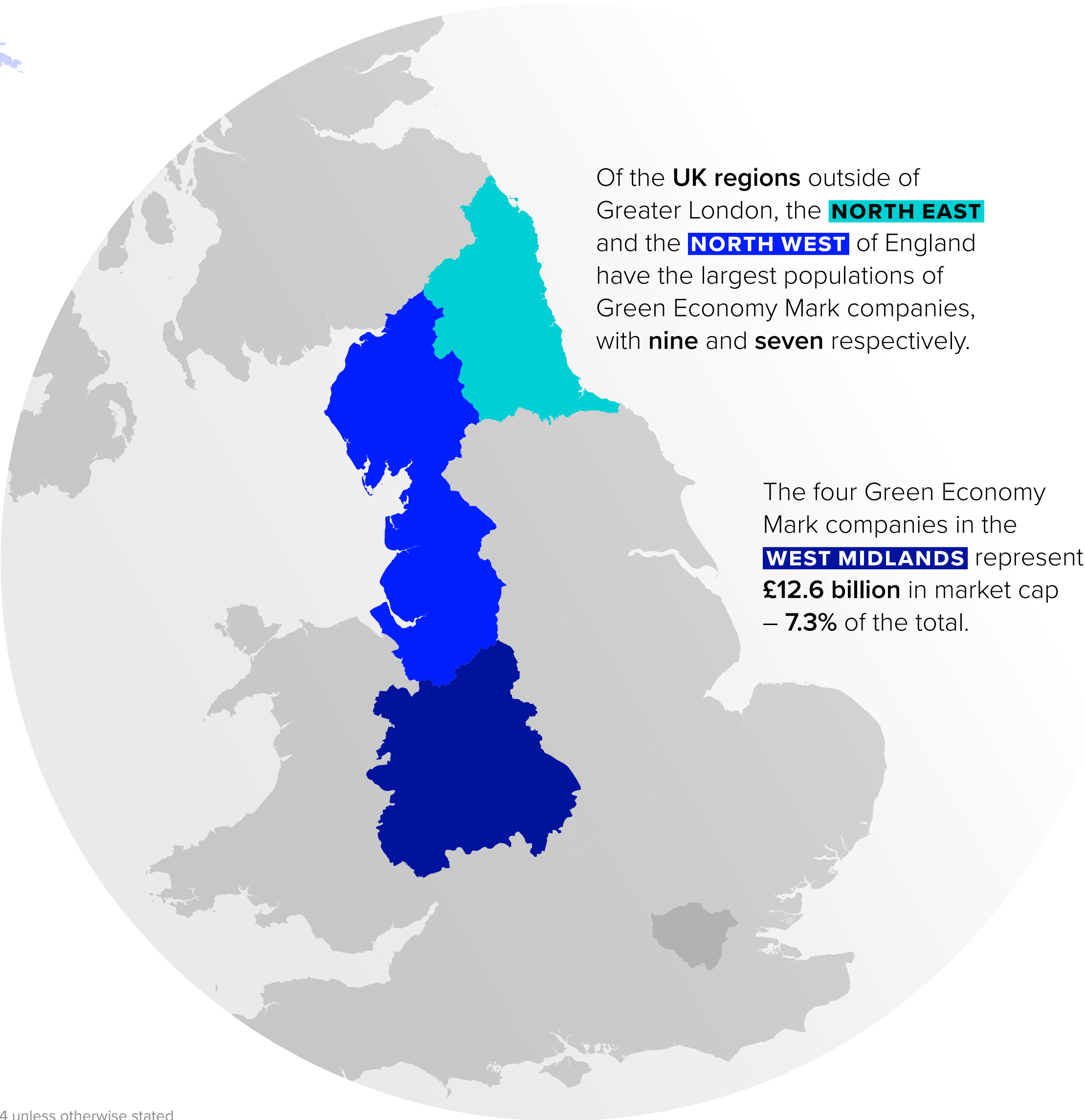


Location

22% of all Green Economy Mark issuers are international. Based in countries such as the USA, China, Australia, France, Bulgaria and Ireland, it demonstrates the global appeal of London as a hub for sustainable finance and sustainable companies.



International issuers account for 63% of the combined market cap.



Of the **UK regions** outside of Greater London, the **NORTH EAST** and the **NORTH WEST** of England have the largest populations of Green Economy Mark companies, with **nine** and **seven** respectively.

The four Green Economy Mark companies in the **WEST MIDLANDS** represent **£12.6 billion** in market cap – **7.3%** of the total.

Sectors

 Despite making up **29%** of the cohort, only **6%** of issuers in the **financial** sector currently have the Green Economy Mark.

 By market capitalisation, the **utilities** sector is the largest; its seven companies account for **61%** of the total market capitalisation of the GEM cohort.

Investors

Institutional investors hold

£56.3bn

of Green Economy Mark stocks.

The value held by institutional investors in Green Economy Mark issuers who have been in the cohort since inception has increased by **50%**.³²

All data is as of 14 June 2024 unless otherwise stated

32 As of 31 May 2019 and 31 May 2024. Source: London Stock Exchange, LSEG Workspace

Green Economy Mark methodology

The Green Economy Mark is unique in that it focuses on the environmental impact of the products and services of issuers and how these enable net positive environmental benefits.

The Green Economy Mark is available to all equity and Global depositary receipts (GDR) issuers on all segments of the Main Market and AIM that generate at least 50% of total annual revenues from products and services that contribute to the global green economy (drawing upon the FTSE Russell Green Revenues Classification system (GRCS)).³³

To assess an issuer’s contribution to the green economy, the London Stock Exchange utilises the FTSE Russell GRCS. The GRCS is a data classification system developed by FTSE Russell, as a comprehensive taxonomy for green products and services to help investors identify a company’s green revenues activities. It takes a broad, bottom-up view of the green economy, capturing products and services across the whole value chain.

This assessment is then turned into an overall level of ‘greenness’, or net environmental impact, of companies’ activities and revenues into three tiers:

Tier 1

Clear and significant environmental benefits

Tier 2

Limited but net positive environmental benefits

Tier 3

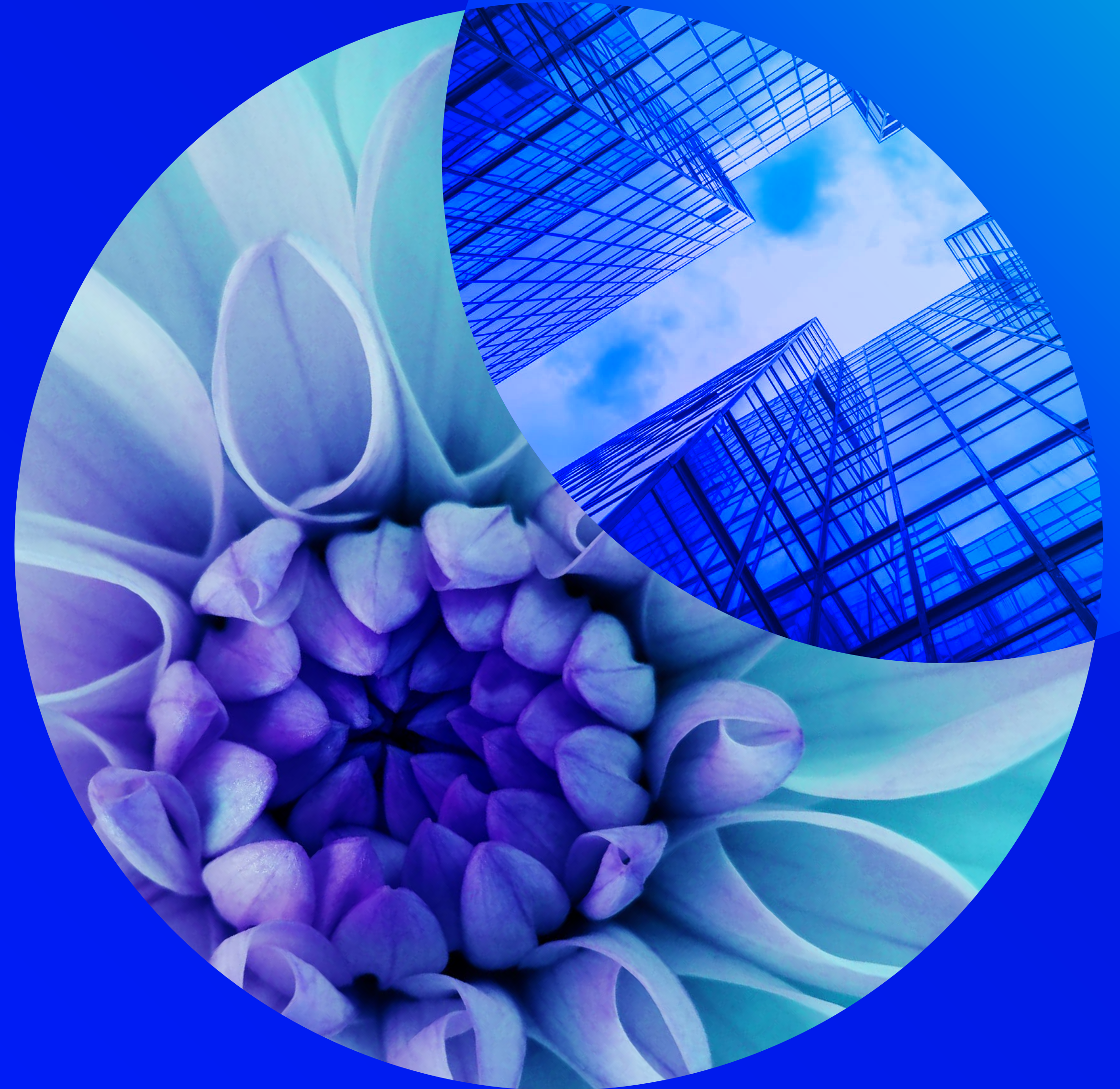
Some environmental benefits but are overall net neutral or negative

Only tier 1 and tier 2 contribute to the green revenues percentage to meet the 50% threshold for the Green Economy Mark.

Any issuer may apply to have its green revenues considered for the Mark via the Sustainable Finance Team at the London Stock Exchange. Companies and funds may also apply ahead of IPO; with issuers frequently commenting on the benefits of being able to talk about this during their investor roadshows. Receipt of the Green Economy Mark is contingent on the company being admitted to one of the London Stock Exchange’s markets.

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

Green Economy Mark case studies





A pioneer of clean energy technology, Ceres was in the original Green Economy Mark cohort in 2019.

As a developer of fuel cell technology, Ceres provides a vital transition technology in the energy sector. Ceres states, it is the efficiency of its technology that is a vital differentiator. Its solid oxide platform technology supports greater electrification of energy systems and produces green hydrogen at high-efficiencies as a route to decarbonise emissions-intensive industries such as steel and ammonia production.

There is another key factor which has driven interest in Ceres' technology. In a world where traceability is becoming ever more important and products are being measured on their carbon footprint, Ceres' technology, which is made from common steel and material sets, will have a significant competitive advantage over technologies which utilise hard to source rare earths and more expensive materials. "We can help the energy transition but not at an environmental cost in terms of the materials that we use," says Elizabeth Skerritt, Director of Investor and Corporate Communications at Ceres.

Originally a spin-out from Imperial College, Ceres was admitted to AIM in 2004 and moved to the Main Market in 2023. "AIM is a superb platform for early-stage businesses to scale and it stood Ceres in very good stead as it raised increasingly large rounds of capital," says Skerritt.

The scaling journey of the Sussex-based company is continuing. Although it has always been a UK-based business, its commercial activity is global so "the move to the Main Market gave us wider recognition on a larger platform and allowed us to access wider pools of capital," says Skerritt. "The UK is the right home for us and being listed in the UK has served us incredibly well." ►



“

... the move to the Main Market gave us wider recognition on a larger platform and allowed us to access wider pools of capital.”

Elizabeth Skerritt

Director of Investor and Corporate Communications, Ceres Power

Ceres' growth strategy is driven by its asset-light, licensing model which has seen it establish partnerships with some of the world's largest companies, such as Bosch, Doosan, Delta and Weichai. Such partnerships enable it to build its presence as the only company offering access to world-leading solid oxide technology under licence.

Skerritt, who joined Ceres in 2019 when it first obtained the Green Economy Mark, thinks that the London Stock Exchange "has stolen a march" with the Green Economy Mark. "Previously, sustainability tended to feature in select meetings and where funds had a particular lens on it. Today there are no investor conversations that don't involve some element of our sustainability credentials. We feature the Green Economy Mark prominently on our website and in our annual sustainability report."

"Today there are no investor conversations that don't involve some element of our sustainability credentials. We feature the Green Economy Mark prominently on our website and in our annual sustainability report."



Ceres megawatt
scale demonstrator

NEXTENERGY SOLAR FUND

The use of solar energy has expanded rapidly in the ten years since the NextEnergy Solar Fund (NESF) was launched in 2014. “At that time government subsidies were needed to make solar projects commercially viable in the UK,” says Peter Hamid, Senior Vice President, Investor Relations of Next Energy Capital, the investment adviser which manages NESF.

“The fund was founded on a mission to lead the transition to clean energy,” says Hamid. “The world can’t rely on fossil fuels and this fund is one way to really make a tangible difference whilst also providing investors with both profit and purpose.”

Since 2010, the cost of building utility-scale solar has fallen by around c.90%. “Government subsidies have achieved their goal of driving investment and innovation into the UK solar sector to make it a key generator in today’s energy mix,” says Hamid, “allowing more renewables to penetrate the market and driving the adoption of renewables across the board. Solar remains one of the cheapest and quickest forms of renewable energy to deploy on a commercial scale.” He adds that NESF was the first listed fund to develop subsidy-free solar, building the assets without any government support.

The main objective of the fund is to provide shareholders with a reliable source of attractive income through dividends. In the past ten years NESF has paid over £345m in dividend income to shareholders (the equivalent to 67.8 pence per share), delivering a ten-year growing and cash covered dividend, most recently targeting a dividend of 8.43p for its financial year ending 31 March 2025 (which represents a c.11% dividend yield as a 25 June 2024, one of the largest dividend yields in the FTSE 350). ►

Pictured left and right: NextEnergy Solar Fund sites



“

The fund was founded on a mission to lead the transition to clean energy. The world can’t rely on fossil fuels and this fund is one way to really make a tangible difference...”

Peter Hamid

Senior Vice President, Investor Relations,
NextEnergy Capital



As solar evolves as an asset class, NESF is also growing and diversifying its revenues. Its portfolio currently stands at 102 operating assets and achieved its one gigawatt of installed net capacity milestone in March 2024. As well as buying and building physical solar assets, NESF is expanding its international reach by investing in private solar infrastructure funds, as well as co-investments alongside major institutional investors in these funds, allowing NESF to access assets in the US, Chile, Portugal, Spain, Poland, and Greece in a de-risked fashion.

NESF is also investing in energy storage which has “a vital part to play in the future of this asset class, balancing the grid, and achieving Net Zero,” according to Hamid. “We are the first generator to have built and successfully energised an operational standalone utility-scale battery in our portfolio.”

Its first stand-alone energy storage asset, Camilla, connected to the National Grid in December 2023 and progressed successfully through its final phases of commissioning early this year. Camilla is a 50MW one hour lithium-ion battery located in Fife, Scotland, which has been pre-configured for augmentation to two hours.

NESF has held the Green Economy Mark for five years. “NESF is delighted to be recognised for its contribution in mitigating climate change, the Green Economy Mark is a symbol of our commitment to the green economy and spotlights NESF’s green credentials to the wider investment universe making the Company easily distinguishable for generating its revenues through clean, green, energy generation,” says Hamid. “NESF benefits from one of the largest ESG and Sustainability teams in the sector, that continues to work incredibly hard to ensure the sustainability, ESG, and biodiversity impacts of NESF are both market leading and best practice, and we remain very proud of this.”

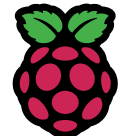


NextEnergy Solar Fund site

Over the last three years, NESF has seen significantly increased interest from retail investors who are looking to make an impact through their investments; the percentage of the shareholder register being held through retail online platforms has moved from 3% to 18% in that time.

There’s a lot more sunshine to be harvested by NESF. “The government is aiming for the UK to have 70 gigawatts of solar by 2035 but only c.16 gigawatts are currently deployed, so there is clearly a huge opportunity ahead of utility-scale solar,” says Hamid. “Substantial investment is needed and funds such as NESF are the perfect vehicles to continue to build out the UK’s renewables capacity, whilst providing solid and reliable returns for all NESF shareholders.”

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Raspberry Pi

Raspberry Pi is a tale of two organisations: the Raspberry Pi Foundation, a charity which was established in Cambridge in 2008 with the goal of promoting interest in computer science among young people and a mission to democratise computing; and Raspberry Pi plc, a commercial company which has been transforming the global computing landscape since its first product was launched in 2012.

Raspberry Pi's recent admission to the Main Market of the London Stock Exchange is a milestone in the evolution of both organisations.

The majority of the proceeds provide a significant endowment for the Foundation to finance the expansion of its ground-breaking educational activities around the world. The Foundation remains a major shareholder.

The IPO also allows Raspberry Pi Holdings plc to build this British computing success story into a significant global technology business. It is a leading designer and developer of high-performance, low-cost single board computers ("SBCs") and compute modules for the "industrial and embedded" markets – which accounted for more than 70% of its sales in 2023 – and for educators and enthusiasts. Since it started trading Raspberry Pi has sold more than 60 million SBCs and compute modules, of which 7.4 million were sold in 2023.

It is also a business that has sustainability at its core.

"We started off building a low-cost computer to help more people gain access to computing – and it turns out that many of the design considerations to make it low-cost also made it a much more sustainable product," says Roger Thornton, Director of Applications at Raspberry Pi. ►

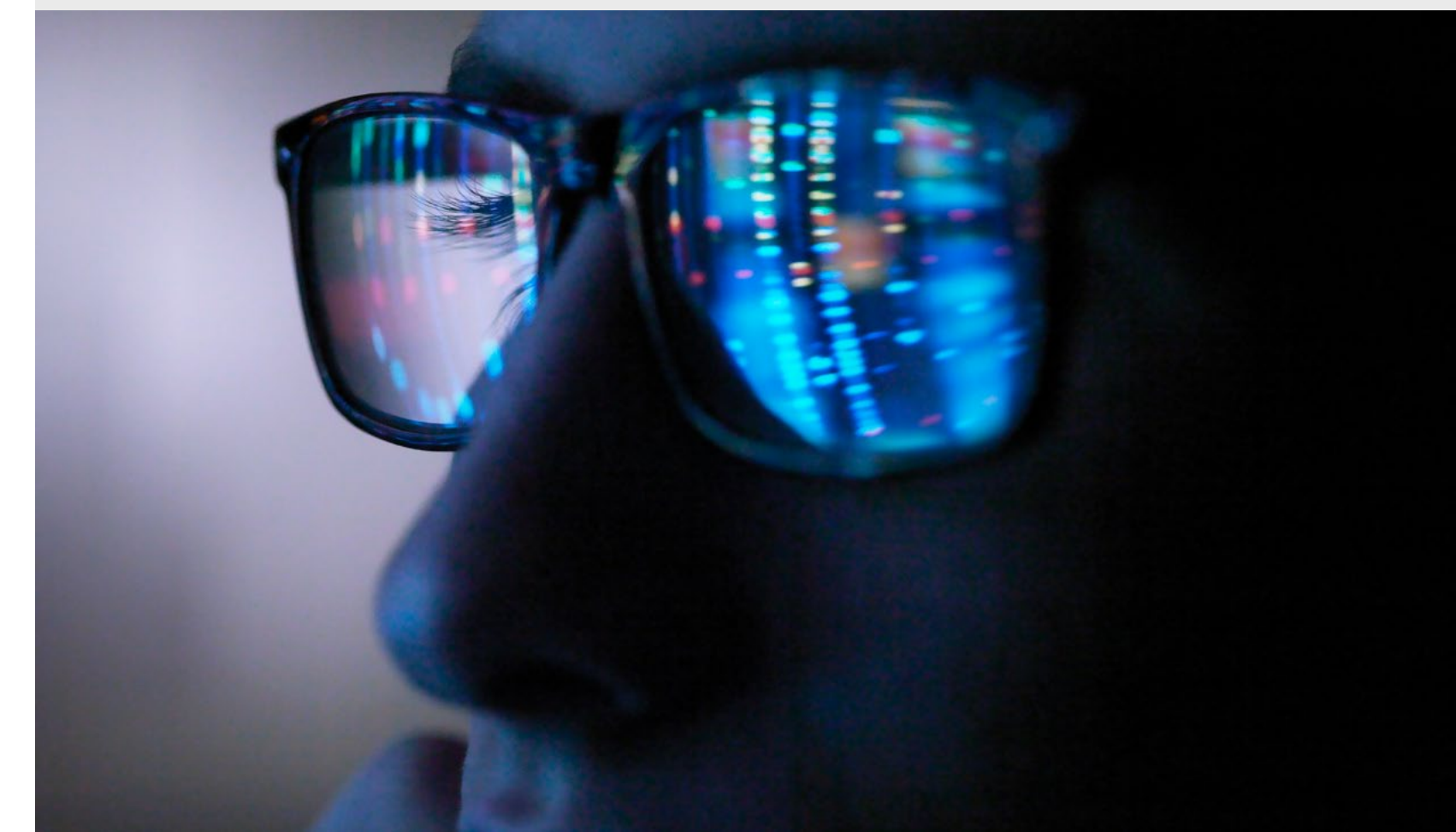


“

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Roger Thornton

Director of Applications, Raspberry Pi



Raspberry Pi was provided the Green Economy Mark based on the energy efficiency benefits of their product. “Whilst the exact energy savings can vary slightly across the different versions of the products, the energy savings are consistently above 90% compared to traditional PCs across their product range,” Thornton explains.

In addition to their green revenue generating products, Raspberry Pi has taken considerable action in improving the sustainability of their operations. For example, compared to standard desktop computers, Raspberry Pi’s computers use 90% less wastewater in their manufacture, and their small size means that they take up 98% less shipping volume.

And, says Thornton, “we don’t sit still. We are constantly looking at how to improve our sustainable practices.” Take the low power consumption, which has always been an important consideration for customers particularly at a time of high energy costs. Recent tweaks to the Raspberry Pi 4 model reduced its idle power consumption by 50%, which translates into really meaningful savings: when applied to each of the estimated 20 million units to be sold and which will be idle for half their time, this equates to a saving of 88GWh, or 20,400 tons of carbon emissions per year.

Constant product support means that there is less obsolescence in products that use Raspberry Pi. “We support products that were sold 12 years ago,” explains Thornton, “so an industrial product that was designed with Raspberry Pi ten years ago can still be produced; that is much greener than redesigning and replacing it.”

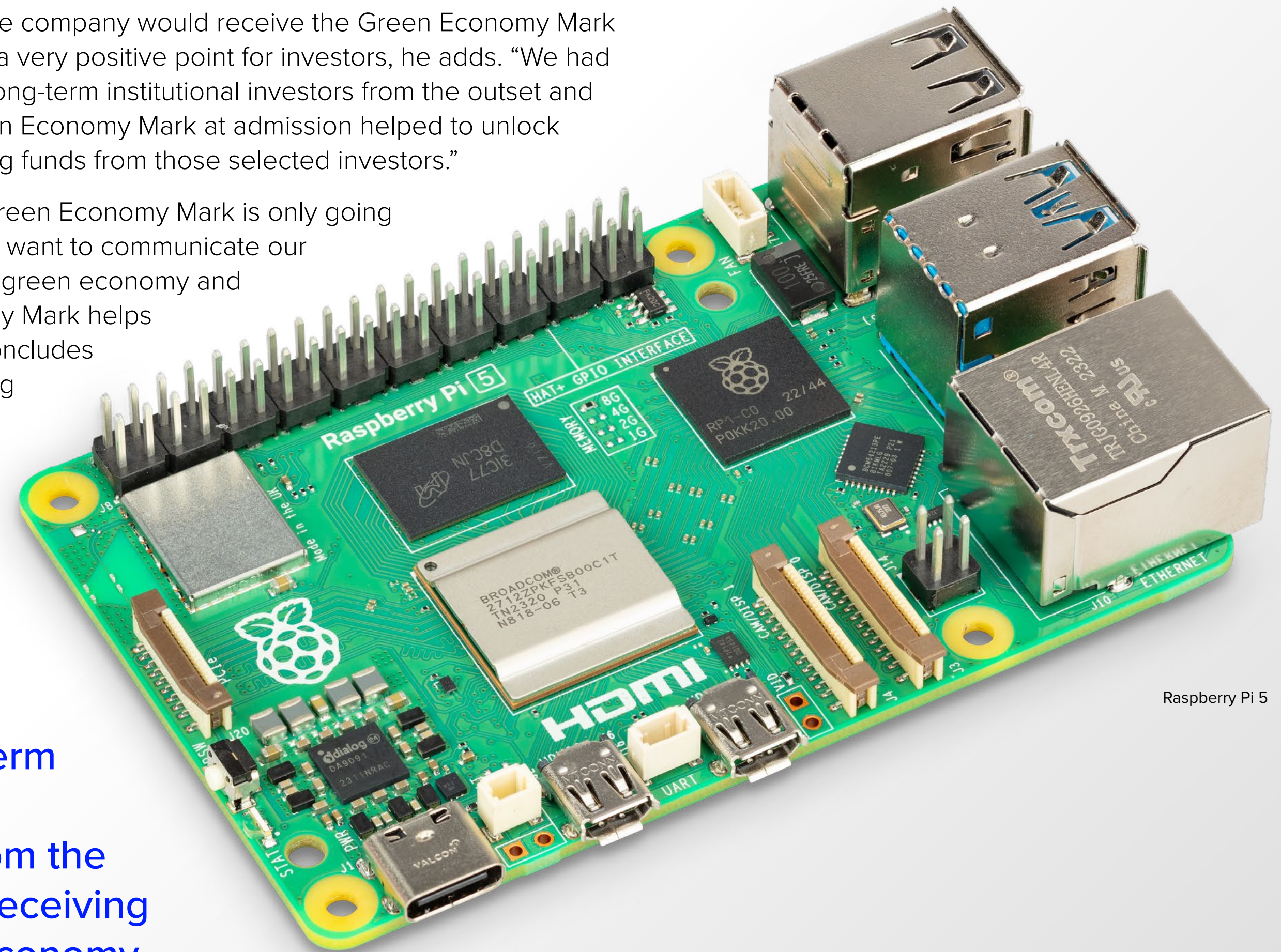
Raspberry Pi’s green qualities will continue to be a source of competitive difference and advantage.

“We had been aware of the Green Economy Mark for a couple of years,” says Thornton. “It was on the list of things that we wanted to achieve once we had firmly decided to come to the market. There was a strong desire for it at our board and executive levels, and the banks were advising us that it would be great to have.”

Expectation that the company would receive the Green Economy Mark on admission was a very positive point for investors, he adds. “We had focused on large long-term institutional investors from the outset and receiving the Green Economy Mark at admission helped to unlock additional qualifying funds from those selected investors.”

The value of the Green Economy Mark is only going to get greater. “We want to communicate our contribution to the green economy and the Green Economy Mark helps to illustrate that,” concludes Thornton. “It’s going to be valuable in attracting new customers and retaining existing ones.”

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Raspberry Pi 5



Founded in 2000 and listed on the AIM in 2011, Inspired PLC has pursued an ambitious growth strategy and in the last seven years their strategic focus has evolved from being a procurement-focused energy adviser into a technology-enabled sustainability services provider.

Inspired operates four divisions: Assurance Services, Optimisation Services, ESG Services and Software Services, with more than 700 experts providing energy advisory and sustainability services to over 3,500 businesses who typically spend more than £100,000 on energy and water per year. The company's four divisions work together to help corporate businesses manage all aspects of their energy and sustainability programme through the lens of what it refers to as the "4Cs" – cost, consumption, carbon and compliance.

Wider factors are proving to be important market drivers for this growing UK-based company. The rise in energy prices has made energy a critical topic for boards and has brought with it dramatically reduced payback times for energy efficiency projects. ESG disclosure expectations are escalating and are becoming increasingly revenue-critical, as supply chains and customers demand them as procurement prerequisites. Then there is the need to deliver on net zero commitments: "2030 is a key milestone for the UK to achieve its reduction targets of 68% based on 1990 levels," notes Dr Michelle de Jongh, managing director of Inspired's ESG Services division. ►

Right: Dr Michelle de Jongh presenting at Gresham House Female Founders event



“

We value our own role in meeting the UK's target, not only will we be net zero before 2050 but we are able to realise greater impact by helping the wider market in delivering against their own targets.”

Dr Michelle de Jongh
Managing Director, ESG Services Division, Inspired PLC



“To meet those targets, we will need to have made progress as a country and our businesses will have had to change their operations and portfolios considerably,” she says. “We value our own role in meeting the UK’s target, not only will we be net zero before 2050 but we are able to realise greater impact by helping the wider market in delivering against their own targets. The provision of the Green Economy Mark shows the extent of our support to others in achieving their targets.” For example, it is supporting other London issuers through [LSEG’s Issuer Services Marketplace](#).

Inspired obtained the Green Economy Mark in 2020. “It has been highly beneficial,” says de Jongh, and something which “definitely sets us apart from our competitors.”

Inspired’s journey provides evidence that the transition to a low-carbon economy provides growth opportunities and not just cost or regulatory risks.

“The Green Economy Mark demonstrates how we have pivoted our own business into greener sources of income, so we can show to our peer businesses that the pathway to a low-carbon economy is an opportunity that exists,” she says. “We have seen the value of the green economy and we have adapted our products and services accordingly. We are creating new technologies, jobs, processes, and businesses and are growing strongly as a result.”

“The Green Economy Mark demonstrates how we have pivoted our own business into greener sources of income, so we can show to our peer businesses that the pathway to a low-carbon economy is an opportunity that exists.”





GREEN ECONOMY MARK 2024 COHORT

Company/fund name	ICB industry	Market
Accsys Technologies plc	Industrials	AIM
AFC Energy plc	Energy	AIM
Agronomics Limited	Health Care	AIM
Alumasc Group plc	Industrials	AIM
Aquila Energy Efficiency Trust plc	Financials	Main Market
Aquila European Renewables Income Fund plc	Financials	Main Market
Atrato Onsite Energy plc	Financials	Main Market
Barratt Developments	Consumer Discretionary	Main Market
Beeks Financial Cloud Group	Technology	AIM
Berkeley Group Holdings	Consumer Discretionary	Main Market
Biome Technologies plc	Basic Materials	AIM
Blackbird plc	Technology	AIM
Bluefield Solar Income Fund Limited	Financials	Main Market
Cairn Homes plc	Consumer Discretionary	Main Market
CAP-XX Limited	Industrials	AIM
Ceres Power Holdings plc	Energy	Main Market
China Yangtze Power Co., Ltd	Utilities	Main Market
Clean Power Hydrogen plc	Energy	AIM
Costain Group	Industrials	Main Market
Cyanconnode Holdings plc	Telecommunications	AIM
DG Innovate plc	Consumer Discretionary	Main Market
Dialight plc	Industrials	Main Market
Directa Plus plc	Basic Materials	AIM
Downing Renewables & Infrastructure Trust plc	Financials	Main Market
Ecofin U.S. Renewables Infrastructure Trust plc	Financials	Main Market
Eden Research plc	Basic Materials	AIM
eEnergy Group plc	Industrials	AIM
Eneraqua Technologies plc	Industrials	AIM
EQTEC plc	Energy	AIM

Company/fund name	ICB industry	Market
FirstGroup plc	Industrials	Main Market
Foresight Group Holdings Limited	Financials	Main Market
Foresight Solar Fund Limited	Financials	Main Market
Foresight Sustainable Forestry Company plc	Financials	Main Market
GCP Infrastructure Investments Limited	Financials	Main Market
Gelion plc	Industrials	AIM
Genuit Group plc	Industrials	Main Market
Glenveagh Properties plc	Consumer Discretionary	Main Market
Gore Street Energy Storage Fund plc	Financials	Main Market
Greencoat Renewables plc	Utilities	AIM
Greencoat UK Wind plc	Financials	Main Market
Gresham House Energy Storage Fund plc	Financials	Main Market
Gresham House Renewable Energy VCT 1 plc	Financials	Main Market
Gresham House Renewable Energy VCT 2 plc	Financials	Main Market
Harmony Energy Income Trust plc	Financials	Main Market
Harvest Minerals Limited	Basic Materials	AIM
Hydrogenone Capital Growth plc	Financials	Main Market
i(x) Net Zero plc	Financials	AIM
Iluka plc	Industrials	AIM
IMI plc	Industrials	Main Market
Impax Asset Management Group plc	Financials	AIM
Impax Environmental Markets plc	Financials	Main Market
Inspired plc	Energy	AIM
Invinity Energy Systems plc	Industrials	AIM
ITM Power plc	Energy	AIM
JLEN Environmental Assets group Limited	Financials	Main Market
Jupiter Green Investment Trust plc	Financials	Main Market
Kier Group plc	Industrials	Main Market

Continued on page 27



GREEN ECONOMY MARK 2024 COHORT

Company/fund name	ICB industry	Market
Land Securities Group	Real Estate	Main Market
Libertine Holdings plc	Industrials	AIM
Macfarlane Group	Industrials	Main Market
Microlise Group plc	Technology	AIM
Ming Yang Smart Energy Group Limited	Energy	Main Market
musicMagpie plc	Consumer Discretionary	AIM
MYCELX Technologies Corporation	Industrials	AIM
Nanoco Group plc	Technology	Main Market
Neometals Ltd	Basic Materials	AIM
NextEnergy Solar Fund Limited	Financials	Main Market
Octopus Renewables Infrastructure Trust plc	Financials	Main Market
Ondo Insuretech plc	Industrials	Main Market
Pennon Group plc	Utilities	Main Market
Persimmon plc	Consumer Discretionary	Main Market
Plant Health Care plc	Basic Materials	AIM
Plexus Holdings plc	Energy	AIM
Pod Point Group Holdings plc	Energy	Main Market
Powerhouse Energy Group	Energy	AIM
Premier Miton global Renewables Trust plc	Financials	Main Market
Proton Motor Power Systems plc	Energy	AIM
Quartix Technologies plc	Technology	AIM
R.E.A. Holdings plc	Consumer Staples	Main Market
Raspberry Pi	Technology	Main Market
Renew Holdings plc	Industrials	AIM
Renewi plc	Utilities	Main Market
Sabien Technology Group plc	Industrials	AIM

Company/fund name	ICB industry	Market
SDCL Energy Efficiency Income Trust plc	Financials	Main Market
SDIC Power Holdings Co., plc	Utilities	Main Market
Severn Trent plc	Utilities	Main Market
Simec Atlantis Energy Limited	Energy	AIM
Smith (DS) plc	Industrials	Main Market
Smurfit Kappa Group plc	Industrials	Main Market
Surface Transforms plc	Consumer Discretionary	AIM
Symphony Environmental Technologies plc	Industrials	AIM
Synthomer plc	Basic Materials	Main Market
Tekmar Group plc	Energy	AIM
Thew Renewables Infrastructure Group Limited	Financials	Main Market
Thorpe (F.W.) plc	Technology	AIM
TI Fluid Systems plc	Consumer Discretionary	Main Market
Tirupati Graphite plc	Basic Materials	Main Market
TrakM8 Holdings plc	Technology	AIM
Triple Point Energy Efficiency Infrastructure Company plc	Financials	Main Market
Tritax EuroBox GBP	Real Estate	Main Market
United Utilities Group plc	Utilities	Main Market
US Solar Fund plc	Financials	Main Market
Verditek plc	Financials	AIM
VH Global Sustainable Energy Opportunities plc	Financials	Main Market
Volution Group plc	Industrials	Main Market
Water Intelligence	Industrials	AIM
Xeros Technology Group plc	Industrials	AIM
Zotefoams plc	Basic Materials	Main Market

Conclusion

The Green Economy Mark highlights a cohort of inspiring companies and funds who are driving the green economy forward. The cohort exemplifies the global economic shift towards low-carbon business models. The cohort includes new companies with breakthrough technologies all the way through to more mature companies who are making strong progress in their transition to net zero.

The international composition of Green Economy Mark cohort continues to grow, underlining London's global appeal as a hub for sustainable finance. The sectoral composition is also diversifying, particularly in the growth in the number of technology companies holding the Green Economy Mark.

Investors around the world are increasingly looking for exposure to rapidly growing environmental markets. London provides a beacon of sustainable investment and is a global hub for sustainable finance: this includes the Sustainable Bond Market which offers a wide range of opportunities for green, social, sustainable and sustainability-linked bonds, the Voluntary Carbon Market which is used by companies to offset residual emissions while they implement decarbonisation strategies; and data and market infrastructure required to support and grow the green economy.

The transition to a greener, more sustainable and low-carbon economy is a global and multi-faceted undertaking. Our customers span sovereign nations and global corporations, pension funds and pre-revenue companies – and the London Stock Exchange will support each one of them as they make their commitments to help tackle the challenge of making that transition.





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