London Stock Exchange Sustainable Bond Market

London Stock Exchange’s dedicated Sustainable Bond Market (SBM) champions innovative issuers in sustainable finance and improves access, flexibility and transparency for investors.

In 2015, we became the first exchange to set up dedicated Green Bond Segments. Now our expanded SBM offers a wide range of opportunities for green, sustainability and social bonds, in addition to bonds from green economy issuers, as the need for investors and companies to manage climate risks and create impact becomes ever more important.

Leading the world’s sustainable finance ecosystem
Sustainable Bond Market Structure

Sustainable Bond Market

Issuer-level Classification*
Bonds by issuers whose core business activity is aligned with the green economy or where the sustainable nature of the instrument is not based on distinct and pre-defined use of proceeds.

Certified Use of Proceeds*
Independent external review:
Second Opinion
Third-party Verification aligned with ICMA Principles or other eligible standards.

Green Revenues
Issuers demonstrating they have greater than or equal to 90% of revenues derived from green revenues as per criteria set out below.

Sustainability-Linked Bonds
Forward-looking performance-based bond instruments where the issuer is committing to future improvements in sustainability outcomes within a predefined timeline, in accordance with relevant international standards.

Green
The proceeds will be exclusively applied to finance projects with clear environmental benefits.

Sustainability
The proceeds will be exclusively applied to finance a combination of both Green and Social Projects.

Social
The proceeds will be exclusively applied to finance in part or in full new and/or existing eligible Social Projects.

Key benefits

Breadth of offering
London’s SBM covers a full suite of asset classes and instrument types, ranging from plain vanilla bonds to more complex instruments such as asset-backed securities. Combined with expertise across LSEG in primary, secondary markets, data and post-trade services, SBM helps deliver the broadest sustainable finance platform to issuers and investors.

World class peer group
Display your bonds alongside high profile international issuances on SBM from supranationals, local governments and municipalities, as well as corporates, many of which are world firsts in terms of currency, geography or structure, including the first certified green bonds out of China, India, the Middle East and first sovereign green bonds from Asia Pacific and the Americas.

International investor base
SBM delivers access to the largest, most sophisticated and long-term oriented investor base for sustainable finance, offering a uniquely deep pool of international liquidity. London Stock Exchange remains committed to active engagement with investors in order to support our markets with innovation and effective policies.

Enhanced visibility and robust standards
Securities admitted to SBM are subject to robust standards, to enhance investor confidence in the level of disclosure related to their sustainability frameworks and reporting. SBM offers issuers the opportunity to display key documents such as external reviews, sustainability frameworks and annual sustainability reports on their dedicated profiles. Commitment to ongoing reporting is required.

Flexibility
SBM offers dedicated segments for green, social, sustainability, and issuer-level classified bonds (including both green revenue eligible and sustainability-linked instruments). Bonds on SBM can be admitted to London Stock Exchange’s Main Market and International Securities Market (ISM). We also provide a range of secondary market trading options, so that issuers can offer investors appropriate liquidity and price discovery mechanisms.

Issuer service tools and insights
LSEG provides guidance and support to issuers through variety of channels, including its Issuer Services platform and other Group services. Sustainable bonds can also be traded through MTS, Europe’s leading electronic trading platform for public sector debt. FTSE Russell, a leading index and information provider, provides data and indices to investors and issuers, such as FTSE4Good, ESG ratings, Carbon Emissions, Climate Risk and Green Revenues. LCH SA, one of the largest global Central Counterparties (CCPs) also supports sustainable bonds through eligibility for clearing and use as collateral.

230+ debt securities admitted to Sustainable Bond Market¹
£46bn+ raised
Issuers from 20 countries
Bonds in 17 currencies

¹ Including over 150 certified Green, Social and Sustainability bonds, as well as eligible bonds from green economy companies.

* Please refer to the SBM Factsheet for detailed technical information.

www.lseg.com/sbm

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