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 the most comprehensive platform for sustainable debt financing, 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
260+ debt securities admitted to Sustainable Bond Market

£56bn+ raised

Issuers from 23 countries

Bonds in 17 currencies

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Sustainable Bond Market Structure

**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.

**Transition**
Transition bonds are a subset of sustainable debt instruments whereby the issuer is raising funds in debt markets for climate and/or just transition-related purposes.

They can take the following forms:
- Use of Proceeds instruments aligned to the Green and Social Bond Principles or Sustainability Bond Guidelines;
- General Corporate Purpose instruments aligned to the Sustainability-Linked Bond Principles.
Issuers must demonstrate credibility through preparation of a transition framework aligned to guidelines set out in the Climate Transition Finance Handbook on a best efforts basis.

**Green Revenues**
Issuers demonstrating they have greater than or equal to 90% of revenues derived from green revenues as outlined in London Stock Exchange’s criteria.

**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.

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

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*Sustainable Bond Market Structure*  
Please refer to the SBM Factsheet for detailed technical information.  
www.londonstockexchange.com/sbm
## Key benefits

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<th><strong>Breadth of offering</strong></th>
<th>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.</th>
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<td><strong>World class peer group</strong></td>
<td>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.</td>
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<td><strong>International investor base</strong></td>
<td>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.</td>
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<td><strong>Enhanced visibility and robust standards</strong></td>
<td>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, transition and sustainability frameworks and annual sustainability reports on their dedicated profiles. Commitment to ongoing reporting is required.</td>
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<td><strong>Flexibility</strong></td>
<td>SBM offers dedicated segments for green, social, sustainability, issuer-level classified bonds (including both green revenue eligible and sustainability-linked instruments) and transition bonds. 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.</td>
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<td><strong>Issuer service tools and insights</strong></td>
<td>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, FTSE TPI Climate Transition, 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.</td>
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Meet the team

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