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Green Economy Mark

1.0 Why has it been created?

A growing number of companies generate commercial revenues from products and services that contribute to positive environmental outcomes, for example: renewable energy helps to mitigate climate change; recycling technologies reduce waste such as plastics; zero emission vehicles contribute to improved air quality.

Asset owners and managers increasingly seek to deploy capital into these areas, based on expectations of investment returns being driven by trends such as changing consumer appetites, evolving technologies and financial risks relating to changing growth models. The Green Economy is diverse. Companies and investment vehicles of all sizes, in all geographies and across every industry are part of it.

London Stock Exchange's Green Economy Mark harnesses the diversity and breadth of commercial activity in the green economy. Being cross-sector, no single, specific industrial classification is relevant.

The Green Economy Mark enables investors to identify an investible universe of 'green economy' equities, enabling a broad exposure, rather than a focus on one area, such as renewable energy infrastructure. Less obvious environmental solutions are more visible and able to attract green or climate aware investors and capital.

2.0 How does it work?

London Stock Exchange's Green Economy classification and Mark is available to all equity issuers on all segments of the Main Market and AIM that meet the criteria outlined below. It facilitates visibility and investment by addressing the information gap around what constitutes commercial activity relating to environmental solutions.

The Green Economy Mark (above) identifies London-listed companies and funds that generate between 50% and 100% of total annual revenues from products and services that contribute to the global green economy.

The underlying methodology is the Green Revenues taxonomy developed by FTSE Russell as part of the FTSE Environmental Markets Classification System. It identifies industrial sectors and sub-sectors that are contributors to a greener, more sustainable economy such as climate change mitigation and adaptation, water, resource extraction, pollution and sustainable agriculture.

The 50%+ threshold for the Mark recognises businesses who have a material revenue contribution from the Green Economy. In this way it includes but also looks beyond 'pure-play' green or clean technology companies to highlight those of all sizes, across all industries, driving the transition to a sustainable, low carbon economy.

Through its consistent application across London Stock Exchange's markets and segments, the Green Economy Mark and Green Revenue tracking improves visibility to investors and other stakeholders that are interested in Green Economy activities.

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3.0 Benefits

3.1 Existing issuers:

Raised profile and visibility among investors that are focussed on the Green Economy in addition to all current listing benefits.

3.2 New Issuers (Primary or Secondary listings):

An additional reason to list in London to benefit from visibility to green-focussed investors at IPO as a new Green Economy issuer and inclusion within London Stock Exchange's international Green Economy cohort for events, networking and profile opportunities.

3.3 All Issuers:

- Methodology alignment with FTSE Russell equity index inclusion / overweighting criteria on climate and green revenues indexes

- Be part of a cohort of Green Economy companies invited to dedicated events and collectively profiled in periodic communication campaigns as well as an annual Sustainable Finance event.

- Marketing Asset (Green Economy Mark) for use on the issuer's own London Stock Exchange web site profile page and marketing materials/platforms, subject to the appropriate Terms & Conditions.

3.4 Investors:

- Visibility of the green economy across London Stock Exchange markets & segments for international public equity.

- Greater issuer and green economy market engagement opportunities via events and analysis.

4.0 Qualification criteria

4.1 The Green Economy Mark is awarded to equity issuers listed on London Stock Exchange's Main Market or AIM, in any segment as follows:

4.1.1 The issuer is included within FTSE Russell's Green Revenues data model, with green revenues publicly disclosed, or estimated by FTSE Russell, which meet or exceed 50% of annual revenue for the most recent year*

4.1.2 The issuer is included in FTSE Environmental Technology Index Series and meets or exceeds 50% green revenues.

4.1.3 The issuer is not covered by FTSE Russell research or indexes and provides a mapping of its revenues against the Green Revenues Taxonomy that, in aggregate, represent 50% or more of total annual company revenues

4.1.4 Funds (listed, SFS or AIT) that can demonstrate to the satisfaction of London Stock Exchange that their public prospectus, investment strategy and active investments are aligned with the FTSE Environmental Markets Classification

4.2 London Stock Exchange retains sole discretion to allow, refuse or revoke qualification for the Green Economy Mark.

4.3 London Stock Exchange may allow Issuers that have qualified for the Green Economy Mark to retain it (at the sole discretion of London Stock Exchange) for an agreed period, should their green revenue percentage fall temporarily and marginally below the 50% threshold.

4.4 Qualification for the Green Economy Mark does not influence coverage or index inclusion by FTSE Russell, which is governed exclusively by FTSE Russell. However, it establishes alignment with FTSE Russell's methodology

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5.0 Governance

5.1 Methodology

5.1.1 To ensure a robust, credible and investor-relevant methodology underlying the Green Economy Mark, London Stock Exchange applies the taxonomy and data from the FTSE Environmental Markets Classification System and FTSE Environmental Technology Index Series. These are developed and managed by FTSE Russell, part of London Stock Exchange group but independent from London Stock Exchange plc.

5.1.2 The Green Economy Mark methodology will continue to align with FTSE Russell's approach as it evolves.

5.1.3 FTSE Russell has strong, independent and transparent governance for its methodologies. For those listed in 5.1.1 governance is provided by the FTSE Environmental Markets Advisory Committee, which consists of senior market practitioners who are representative of appropriate sectors of the investment community and those with specific environmental markets expertise.

The purpose of the Committee is to provide a forum to interact with index users, relevant experts and environmental markets specialists with a view to enhancing the underlying methodologies of the Environmental Markets Classification System (EMCS), the FTSE Green Revenues Classification System (GRCS), and associated indexes such as the FTSE Environmental Markets Index Series, for final approval by the FTSE Russell Product Governance Board.

5.2 Independence of FTSE Russell research coverage and Index inclusion

The application of FTSE Russell IP and data by London Stock Exchange plc does not influence FTSE Russell Research coverage, methodology development or inclusion within FTSE Russell indexes. Changes to FTSE Russell products and services are made by FTSE Russell at its sole discretion.

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6.0 Exclusions

6.1 Companies or funds in which trading is suspended

6.2 Issuers that have requested that they are not identified by name as Green Economy

NB unattributed green revenues, associated market cap and other relevant but non-attributable data will be included within aggregated, anonymised London Green Economy data.

6.3 London Stock Exchange reserves the right to exclude any issuer from the classification at any time at its discretion.

7.0 How is the process managed?

7.1 FTSE Russell provides Green Revenues Data for London-listed issuers to London Stock Exchange, plus London-listed issuers included within FTSE Russell Environmental Technology Index Series.

7.2 London Stock Exchange identifies qualifying issuers from FTSE Russell data and maintains a list of issuers not covered by FTSE Russell that qualify as described in section 4.0 above. The list is updated for qualifying IPOs or if a material change takes place, such as a merger, acquisition, de-listing or suspension that leads to the addition or removal of the company's classification.

7.3 Issuers that have been identified as qualifying for the Green Economy Mark, or at risk of losing the qualification are contacted via their Investor Relations team

7.4 The Green Economy Mark will be applied to qualifying issuers' London Stock Exchange profile web page unless the issuer has requested not to be identified.

7.5 Green Economy marketing assets will be available for issuers to download via the Issuer Services platform

7.6 Use of the Green Economy Mark by an issuer denotes agreement to the terms & conditions in Section 8.0 below

7.7 Qualifying issuers may use the Green Economy Mark asset in internal and external communication materials – subject to the terms & conditions in section 8.0 below

7.8 London Stock Exchange will maintain and publish a list of companies that qualify for the Green Economy Mark unless they have specifically requested not to be identified.

7.9 London Stock Exchange will undertake periodic analysis of the Green Economy activity and trends across its markets and publish this information at its discretion.

7.10 If London Stock Exchange wishes to make comment in relation to any issuer by name, this will be signed off by the issuer in question prior to publication.

8.0 Green Economy Mark Terms & Conditions

8.1 The Green Economy Mark, the processes and data behind Green Economy classification and the assignment of the Green Economy Mark to issuers are the sole intellectual property of London Stock Exchange group, powered by FTSE Russell's Environmental Markets Classification System.

8.2 The Green Economy Mark is assigned to qualifying issuers and may be used in their online and offline marketing materials for as long as they continue to qualify (see section 4).

8.3 If the issuer ceases to qualify for the Green Economy Mark it must remove the Mark from any and all current marketing materials, online or offline.

8.4 Issuers qualifying for the Green Economy Mark may not infer that London Stock Exchange considers them 'green'. The Mark represents that a majority of the issuer's business activity is aligned with commercial activities within the FTSE Russell-green revenues taxonomy and that 50%+ of annual revenues are derived from these activities.

8.5 By using the Mark the issuer gives permission to London Stock Exchange to identify the issuer by name in public lists of Green Economy Issuers on London's markets.

8.6 By downloading and/or using the Mark, issuers agree to these Terms & Conditions.

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9.0 Green Economy classification: industry sub-sectors with qualifying revenues

Energy Generation (EG)	Energy Management & Efficiency (EM)	Energy Equipment (EQ)	Environmental Resources (ER)	Environmental Support Services (ES)
19	**13**	**22**	**11**	**5**
Bio Fuels **Cogeneration** **Clean Fossil Fuels** **Geothermal** **Hydro** **Nuclear** **Ocean & Tidal** **Solar** **Waste to Energy** **Wind**	**Buildings & Property (Integrated)** **Controls** **Energy Management Logistics & Support** **Industrial Processes** **IT Processes** **Lighting** **Power Storage** **Smart & Efficient Grids** **Sustainable Property Operator**	**Bio Fuels** **Cogeneration Equipment** **Clean Fossil Fuels** **Fuel Cells** **Geothermal** **Hydro** **Nuclear** **Ocean & Tidal** **Solar** **Waste to Energy** **Wind**	**Advanced & Light Materials** **Key Raw Minerals & Metals** **Recyclable Products & Materials**	**Environmental Consultancies** **Finance & Investment** **Smart City Design & Engineering**

Food & Agriculture (FA)	Transport Equipment (TE)	Transport Solutions (TS)	Waste & Pollution Control (WP)	Water Infrastructure & Technology (WI)
17	**12**	**9**	**15**	**10**
Agriculture **Aquaculture** **Land Erosion** **Logistics** **Food Safety, Efficient Processing & Sustainable Packaging** **Sustainable Plantations**	**Aviation** **Railways** **Road Vehicles** **Shipping**	**Railways Operator** **Road Vehicles** **Video Conferencing**	**Cleaner Power** **Decontamination Services & Devices** **Environmental Testing & Gas Sensing** **Particles & Emission Reduction Devices** **Recycling Equipment** **Recycling Services** **Waste Management**	**Advanced Irrigation Systems & Devices** **Desalination** **Flood Control** **Meteorological Solutions** **Natural Disaster Response** **Water Infrastructure** **Water Treatment** **Water Utilities**