Extract from the TP ICAP GROUP PLC
Annual Report and Accounts 2022

SUSTAINABILITY UPDATE

OUR OVERALL APPROACH TO SUSTAINABILITY

INTRODUCTION

TP ICAP's purpose is to provide clients with access to global financial and commodities markets, improving price discovery, liquidity, and distribution of data, through responsible and innovative solutions.

We deliver on our purpose through the products and services that we offer. As a world-leading provider of market infrastructure, liquidity, and over-the-counter ('OTC') market data, we play a central role in enabling the efficient functioning of capital markets, which are essential to economic stability and growth.

We seek to manage our business responsibly so that we remain well placed to deliver long-term value creation for our shareholders. This includes building a strong culture that reflects and promotes employee diversity and inclusion, fosters good conduct, and enhances risk management.

Our purpose, vision and mission statements connect to inform our Group strategy. In 2022, we reviewed and updated these statements to ensure that they remain relevant given that our business, our stakeholders, and the environment in which we operate have changed in recent years.

This chapter will cover: (a) our overall strategic approach to Environmental, Social, and Governance ('ESG') factors and delivery against this strategy, and (b) our detailed Task Force for Climate-related Financial Disclosures ('TCFD') reporting.

Our strategy

In July 2021, the Group Board approved the firm's overarching sustainability strategy. The work to inform this strategy included a high-level analysis of our business and the environment in which we operate to better understand the sustainability challenges and opportunities relevant to the Group. This included reviewing our ESG ratings and performance indicators, our commercial offering, and our communications. The outcome was a sustainability strategy that is formed of three priorities: 'ESG Reporting and Performance Management'; 'Supporting our clients'; and 'Community impact'.

OUR STRATEGIC PRIORITIES

1. ESG Reporting and Performance Management

Effective measurement, and reporting, of TP ICAP's ESG performance enables us to identify, assess, and actively manage the organisation's economic, environmental and social impacts that influence the assessments and decisions of our stakeholders.

Measurement helps to set informed targets for improvement and to track progress. Reporting helps to share progress with stakeholders and increase information availability and accessibility for informed decision-making.

Objectives:
Data and disclosure
Continually review and improve our ESG-related measurement capabilities. This is to ensure that they remain fit for purpose and enable the business to manage and communicate its ESG performance effectively.

Carbon neutrality of operational Scope 1 and 2 emissions
Meet our target to be carbon neutral across both Scope 1 and Scope 2 emissions by the end of 2026.

2. Supporting our clients

As the world turns from carbon-intensive practices to more sustainable alternatives, we believe the best way we can support this shift is through delivering on our purpose and accompanying our clients on their transition journeys.

Objectives:
Innovative solutions
Leverage TP ICAP's core strengths to develop and deliver the liquidity and data solutions necessary to equip market participants to advance their sustainability goals.

Responsible solutions
Advance sustainable and trusted liquidity and data solutions through implementing a strong governance framework and conduct culture.

3. Community impact

We are committed to making a positive economic and social impact on the communities in which we operate around the world. By communities, we refer to both our employees and people or causes external to our Company that are disadvantaged or in need.

Objectives
Making a positive impact
Continue to make a positive economic contribution through the provision of our services, and social impact through colleague fundraising, volunteering and corporate philanthropy.

Diversity and inclusion
Continually develop an environment that is inclusive and positive, where we create meaningful opportunities for our employees to flourish.

ENVIRONMENT

We recognise our responsibility to help protect the environment and support the transition towards a low-carbon economy. We seek to do so in two main ways:

1. Managing our emissions
Minimise the negative environmental impact of our operations, with a particular focus on reducing greenhouse gas emissions. Our target is to be carbon neutral across both Scope 1 and Scope 2 emissions by the end of 2026.

2. Accompanying our clients
Apply our unique capabilities and strengths – our capacity to connect clients to liquidity and data solutions – to help them advance their transition journeys and meet their sustainability objectives.

Managing our emissions

The Group's strategy focuses on:
a) reducing the emissions of our own operations; and
b) ensuring the resilience of our business against the backdrop of climate change.

Reducing our carbon emissions
In 2022, we reduced our total emissions for the Group globally, covering Scopes 1, 2 and 3, by 4% to 58,177 tonnes CO_2e.

We made progress towards achieving our objective of being carbon neutral across both Scope 1 and Scope 2 emissions by the end of 2026. Emissions in these categories decreased by 21% to 7,585 tonnes CO_2e. The primary reason for the reduction was a decrease in the number of office locations and data centres, principally because of our ongoing property rationalisation programme, including the Liquidnet integration. 2022 was a peak year for the property rationalisation programme; we do not anticipate maintaining the same pace of consolidation.

Please refer to the Metrics and Targets section of the TCFD statement on page 62 for the detail of our emissions reporting.

CDP Disclosure
For the first time in 2022, we completed the CDP Climate Change Questionnaire to secure authoritative external benchmarking. A CDP score provides a snapshot of a company's disclosure and environmental performance. In December, CDP assigned TP ICAP a 'C' score (www.cdp.net/en). As per the CDP scoring guidance: "A 'C' score indicates awareness-level engagement. The awareness score measures the comprehensiveness of a company's evaluation of how environmental issues intersect with its business, and how its operations affect people and ecosystems."

Accompanying our clients

TP ICAP – notably through our Energy & Commodities and Parameta Solutions divisions – is well placed to provide the market infrastructure, liquidity and data to help our clients advance their transition journeys.

Sustainable solutions

Emissions credits trading will play a key role during the energy transition. This is an area we are focused on growing. In 2022, our Energy & Commodities division brokered 1.8bn CO_2 metric tonne equivalents of emissions credits, and 77m metric tonnes of voluntary emissions credits, up 271% on 2021.

We are building an environmental hub and developing new products (see CEO Review page 16). In February 2022, Tullett Prebon announced the launch of its energy broking business in Brazil. More than 80% of this energy is renewable: Brazil has the second- largest hydropower capacity in the world. Tullett Prebon is the first international brokerage company to transact an energy deal in the Brazilian market using OTC broking. We also launched a client-facing Fusion screen covering Green Certificates in Norway. Client reaction is positive; trades have been completed through the platform.

Throughout the year, TP ICAP Solutions – our France-based team that designs and executes bespoke investment strategies – hosted several sustainability events at our Paris offices. These events connected investors, brokers, operators, and regulators to discuss the most prominent issues in sustainable finance. In Parameta Solutions, we developed our Green Bond Evaluated Pricing proposition, part of the division's overall Environmental Package.

Incorporating ESG factors in brokerage activities

In our 2021 Annual Report and Accounts, we made a commitment to incorporate mandatory ESG scoring into the evaluation, and approval process, for new business initiatives by the end of 2022. This has been completed and is operational.

To determine a score, we added a mandatory ESG questionnaire to the Change Management Framework ('CMF') process through which all new business initiatives are reviewed. The questions focus on emissions, gender representation, and type of asset class. They seek to identify risks and opportunities associated with any new business initiative. The outcome is an ESG score that forms part of the information for approval that the Change Subcommittee reviews.

Finally, we will also advance our plans to reduce energy consumption through our property rationalisation programme and more efficient energy usage. We will work with our vendors to develop our understanding of Scope 3 emissions.

SOCIAL

Our people

Attracting, developing, and retaining a talented, engaged group of colleagues is central to our success.

Our objective is to continually work to develop an inclusive and positive culture, where we create meaningful opportunities for our employees to flourish.

Employee engagement

It is the role of the Group CEO to lead the work to build a strong culture across the Group. This culture is informed by the Company's values and corporate purpose, both of which were reviewed and advanced in 2022 (see below).

In 2022, one of the Group CEO's objectives was to drive improvement in employee engagement. An employee opinion survey conducted in November 2022 generated a global participation rate of 76%, significantly up from the previous year. Employee engagement increased seven percentage points to 67% in 12 months. Colleagues indicated the biggest areas of improvement were internal communications, our commitment to building a strong conduct culture, and that the Company is listening more effectively. Areas for improvement included career development opportunities, recognition for good work, and more information on how employees can contribute to the execution of our strategy in their individual role.

Reviewing our corporate purpose

Recognising the importance that a compelling corporate purpose has in helping to drive long-term value, the Board initiated a review of the Group's existing corporate purpose, which had been in place for several years.

The review sought to answer the question 'Why does TP ICAP exist?'. The review process involved extensive desk-based research and gathering colleagues' input through a series of workshops held globally. In addition, engagement sessions were held with the Executive Directors, Non-executive Directors, and clients.

On commencing the review, it became clear that a firm's vision and mission are inextricably linked to its purpose. We therefore also reviewed TP ICAP's Vision and Mission statements to ensure consistency. The outcome of the review is a set of new purpose, vision and mission statements for the Group. These are referenced throughout this report (for example, in the Chair's Statement on page 10), reflecting their influence on every part of our Group and their importance to all our stakeholders.

The purpose, vision and mission statements are also particularly relevant to our colleagues (hence their inclusion in this section of the report.) The statements work together, alongside our new corporate values, to help colleagues focus on doing the right things, in the right way. Our purpose, vision and mission help to attract and retain the best talent and the best clients in the market, as they speak to who are and what is important to us.

Reviewing our corporate values

Our organisation, stakeholders, and the environment in which we operate, have evolved a great deal in recent years. Consequently, in 2022 we reviewed our corporate values to better align them with the business we are today and the business we want to build in the future.

The process to review our values included workshop sessions with the Global Management Committee and feedback sessions with colleagues. The outcome was a new set of corporate values. Entitled the 'Triple A Values', they are Accountability, Authenticity and Adaptability. Working together with our updated corporate purpose, vision and mission, the Triple A Values will form the bedrock of a high-performance culture that is aligned to the execution of our strategy.

Employee networks

Work was carried out during the year to expand the Group's employee networks. The Americas, APAC and EMEA have all established networks to best align with local needs. Together, they operate under the name TP ICAP Accord. Run by colleagues for colleagues, the networks connect and support employees on a variety of issues including gender, health and wellbeing, and multiculturalism. A notable achievement in 2022 was the work undertaken by our Veteran's Network in the UK. This led to TP ICAP receiving the Gold Award from the UK's Armed Forces Covenant Employer Recognition programme.

Diversity and inclusion

In our 2021 Annual Report, we set out three diversity and inclusion related targets:

1. By the end of 2025, increase the female representation of our non-broking employee base from 34% to 38%.
2. By the end of 2022, build better baseline data in five focus areas: female representation, race/ethnicity, multi-generational, LGBTQ+, and socio-economic.
3. By the end of 2022, build better data sets to measure the pace of advancement of diverse talent in the organisation.

Regarding diversity metrics, the brokerage industry as a whole faces significant headwinds as its profile is older, and more male-dominated. Compared to other financial institutions, which often have regular recruitment campaigns, there is limited employee turnover in front office brokerage teams. For this reason, we are primarily focused on addressing diversity in our non-broking workforce, where we have scope to make progress. Our initial focus is on improving gender diversity. Over time, we will broaden this scope to include other categories of diversity.

Against this backdrop, in 2022 female representation in non-broking roles increased from 34% to 35%, reflecting new recruiting and retention efforts. They included working closely with our recruitment vendors to ensure a more diverse set of candidates, and launching a dedicated Women's Development Programme.

As signatories of the Women in Finance charter (www.womeninfinance.org.uk), we made a public commitment to increase the representation of women in senior leadership and management roles. We have already met our target to have women comprise 25% of our senior management roles by the end of 2025.

Turning to baseline data, the HR function has established new dashboard reports that provide insight on gender representation at the point of hire, promotion, and termination. HR is also tracking multi-generational data – see the table below. Work continues to build ethnicity, LGBTQ+, and socio-economic data sets. We are mindful of legal restrictions in certain jurisdictions, and the need to secure colleague permission to share personal data. The United States is the only relevant jurisdiction where we hold additional data solely related to ethnicity. We will continue to review our options about disclosing socio-economic and LGBTQ+ data for other jurisdictions. We will also continue to build trust and a culture where colleagues see the value in sharing their data with us, along with the systems necessary for them to do this efficiently.

Making progress against these targets forms part of the remit of the Head of Inclusion, Diversity and Engagement, a new Group-wide role. Claire Harvey MBE started in post in January 2023. A GB Paralympian, Claire brings a wealth of expertise and experience built at organisations that include Vodafone, KPMG, the FCA, and the Ministry of Justice in the UK.

Employee training hours
The average number of training hours per employee in 2022 was 4.8 compared with 4.59 in 2021.

Human rights and modern slavery
We continue to support the UN Guiding Principles for Human Rights. We are committed to taking steps to combat the risk of any form of modern slavery from occurring in our business or supply chain.

More online
The **Modern Slavery statement** can be found at:
https://tpicap.com/tpicap/responsibility/our-commitments/modern-slavery-and-human-trafficking-statement

Employee turnover

	Current reporting year 1 January 2022 – 31 December 2022			Comparison reporting year 1 January 2021 – 31 December 2021		
Turnover by gender[1]	**Female**	**Male**		Female	Male	
	318 (29%)	**750 (68%)**		228 (22%)	601 (59%)	
Turnover by age group[2]	**<30**	**30-50**	**50+**	<30	30-50	50+
	286 (26%)	**573 (52%)**	**207 (19%)**	197 (19%)	439 (43%)	191 (19%)
Turnover by region	**APAC**	**EMEA**	**Americas**	APAC	EMEA	Americas
	269 (24%)	**548 (49%)**	**293 (26%)**	194 (19%)	485 (47%)	344 (34%)

Employee new hires

New hires by gender[3]	**Female**	**Male**		Female	Male	
	329 (33%)	**637 (64%)**		297 (30%)	630 (64%)	
New hires by age group[4]	**<30**	**30-50**	**50+**	<30	30-50	50+
	410 (41%)	**450 (45%)**	**98 (10%)**	321 (32%)	500 (51%)	98 (10%)
New hires by region	**APAC**	**EMEA**	**Americas**	APAC	EMEA	Americas
	247 (25%)	**523 (53%)**	**225 (23%)**	256 (26%)	498 (50%)	236 (24%)

Breakdown of employee contract type

Employee contract by gender	**Female**	**Male**		Female	Male	
Permanent	**1,293 (25%)**	**3,954 (75%)**		1,293 (24%)	4,088 (76%)	
Temporary[5]	**45 (7%)**	**102 (15%)**		47 (6%)	87 (12%)	
Employment type by gender	**Female**	**Male**		Female	Male	
Full-time	**1,242 (24%)**	**3,921 (76%)**		1,245 (23%)	4,060 (76%)	
Part-time[6]	**51 (61%)**	**33 (39%)**		48 (62%)	28 (36%)	
Employee contract by region	**APAC**	**EMEA**	**Americas**	APAC	EMEA	Americas
Permanent	**1,122 (21%)**	**2,533 (48%)**	**1,607 (31%)**	1,163 (22%)	2,563 (47%)	1,677 (31%)
Temporary	**52 (8%)**	**484 (71%)**	**145 (21%)**	29 (4%)	515 (70%)	187 (26%)

Employee diversity and inclusion

Percentage of gender representation by category[7]

	Current reporting year 1 January 2022 – 31 December 2022		Comparison reporting year 1 January 2021 – 31 December 2021	
Category	**Female**	**Male**	Female	Male
Executive Management	**20%**	**80%**	20%	80%
Non-executive Management	**25%**	**75%**	27%	73%
Professionals	**21%**	**78%**	21%	79%
All other employees	**25%**	**74%**	25%	75%

US-only percentage racial/ethnic group

Current reporting year 1 January 2022 – 31 December 2022

Category	**Asian**	**Black or African American**	**Hispanic or Latino**	**White**	**Other**
Executive Management	**33%**	**0%**	**0%**	**67%**	**0%**
Non-executive Management	**11%**	**0%**	**3%**	**86%**	**0%**
Professionals	**11%**	**4%**	**4%**	**78%**	**3%**
All other employees	**11%**	**3%**	**8%**	**71%**	**6%**

Comparison reporting year 1 January 2021 – 31 December 2021

Category	Asian	Black or African American	Hispanic or Latino	White	Other
Executive Management	50%	0%	0%	50%	0%
Non-executive Management	7%	0%	7%	86%	0%
Professionals	8%	3%	4%	82%	4%
All other employees	11%	4%	8%	72%	6%

Our external communities

Economic impact

TP ICAP operates in 28 countries from more than 60 offices. The Group generated £2.1bn revenue in 2022 and paid £542m to tax authorities (2021: £523m). This comprised corporation tax, premises taxes, employer's social security payments, income taxes and social security paid on behalf of employees in the UK and the US (the main jurisdictions in which it operates), and VAT/sales taxes borne and collected. The Group also makes tax payments to the tax authorities in other tax jurisdictions in which it operates.

Reflecting that people are our chief resource, we paid £1.3bn in compensation and benefits. General and administrative expenses paid to our supply chain amounted to £491m. Combined, the direct and indirect economic impact generated by TP ICAP is significant. We also play a critical role in helping the global capital markets function effectively. This enables our clients to serve their retail and corporate customers effectively, whether that is to help start or build a business, buy a property, or invest in a pension.

Social impact

Through ICAP Charity Day (see pages 58-59), employee volunteer initiatives and Group-wide social mobility partnerships, we work to make a positive social impact.

Championing social mobility with National Numeracy

Numeracy is one of life's crucial building blocks and an important driver of social mobility. Since 2018, we have had a significant partnership with the UK charity National Numeracy, which focuses on building the nation's number confidence and skills. We have funded the development of tools and resources to help people check and develop their numeracy skills, creating adaptive online learning environments that build confidence as well as skills.

In 2022, we supported the fifth annual National Numeracy Day and second annual Number Confidence Week, of which TP ICAP is a founding partner:

Number Confidence Week

Since it began in 2020, Number Confidence Week has inspired 152,577 actions to improve confidence with numbers. In 2022, the campaign inspired 89,975 actions, more than four times as many as in 2020.

National Numeracy Day

In 2022, National Numeracy Day inspired nearly half a million actions towards improving numeracy – more than five times as many as 2021. The Big Number Natter sparked a nationwide conversation about numbers and the media campaign reached millions. The number of champion organisations promoting the day rose 71% on last year to 4,813. Overall, the campaign helped empower adults and children in the UK to build their confidence with numbers and feel in control at home, work and school.

National Numeracy Leadership Council

TP ICAP is a founding member of the National Numeracy Leadership Council and is represented by Executive Director and Group General Counsel, Philip Price. The Leadership Council works with businesses and organisations across the UK to address numeracy challenges and work in partnership to implement solutions.

More online

Read the **Number Confidence Week** impact report here: **https://www.nationalnumeracy.org.uk/news/number-confidence-week-impact-report**

1 In 2022 96% of leavers had a gender recorded in our people data management system. In 2021 81% of leavers had a gender recorded.
2 97% of leavers during 2022 had an age recorded in our system.
3 In 2022 97% of new hires had gender recorded in our system at year end. In 2021, this applied to 94% of new hires in that period.
4 In 2022 96% of new hires have an age recorded in our system at year end.
5 In 2022 22% of temporary workers had a gender recorded in our system. In 2021, 18% of temporary workers had a gender recorded.
6 In 2021 98% of part-time workers had a gender recorded in our system.
7 Totals may not equate to 100% due to rounding.

OUR JOURNEY TO 30

ICAP Charity Day

On Wednesday 7 December 2022, ICAP held its 30th annual global Charity Day.

Since 1993, ICAP Charity Day has raised money for charities across the globe, with 100% of ICAP's company revenues and 100% of its brokers' commissions generated on the day donated to a variety of causes.

In 2022, the day was opened by a video message from The Prince of Wales, in his role as Patron of The Passage, a UK-based homelessness charity we support. Many well-known charity ambassadors joined our brokers to close deals with clients, including Simon Cowell, Ant and Dec, and Floyd Mayweather Jr.

On the day, £4.4m was raised, which will benefit more than 100 different charitable organisations worldwide. This brings the total amount raised to more than £160 million since the first ICAP Charity Day in 1993.

Our Journey to 30

As 2022 was a landmark year for ICAP Charity Day, we commissioned independent research on the positive social impact it has made over the last three decades. The report's findings are:

- More than 2,800 donations have been made in support of more than 1,700 charities worldwide;
- Charity Day has directly supported 7.7 million people since 1993;
- Three in four of our supported charities are small to medium in size, focusing on local or national causes;
- Donations have been made in 25 countries, with medicine, education, and relief from poverty being the most supported causes; and
- Children and young people have been the most supported group, followed by people with ill health or social disadvantage.

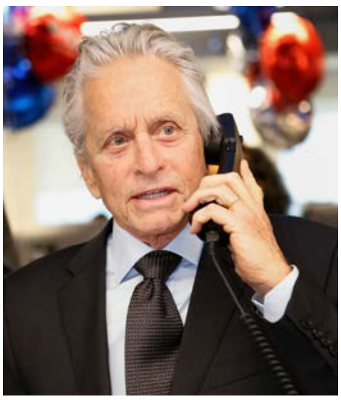
More online

Read the **ICAP Charity Day social impact report** in full here:
https://tpicap.com/tpicap/sites/g/files/escbpb106/files/2022-12/ICAP%20Charity%20Day_Impact-Report.pdf

10 December 1993, London. The first ICAP Charity Day

Our brokers donate 100% of their commissions, ICAP donates 100% of its revenues

30 YEARS OF FAMOUS FACES



3 IN 4
SUPPORTED CHARITIES ARE SMALL TO MEDIUM IN SIZE

SUPPORTED 7.7 MILLION PEOPLE IN NEED

GLOBAL PRESENCE, LOCAL DELIVERY

FOLLOW-THE-SUN FUNDRAISING

1,700+ CHARITIES SUPPORTED, 2,800+ DONATIONS MADE

30 YEARS OF CLIENTS' SUPPORT

TOTAL RAISED SINCE 1993:

£160M

1 IN 4
CHARITIES PROVIDE RELIEF FROM POVERTY

30TH ICAP CHARITY DAY, 7 DECEMBER 2022: £4.4M RAISED ON THE DAY

ANT & DEC WERE SUPPORTING THE PRINCE'S TRUST

ESG GOVERNANCE

Board-level oversight and engagement

At TP ICAP Group plc Board level, Tracy Clarke continues in her role as the Non-executive Director responsible for ESG engagement. Tracy works closely with the Group's management team to ensure that the Board continues to have oversight on business strategy from an ESG perspective. For more detail on the Group's overall approach to governance, see the Governance Report on page 82. Our governance arrangements under the TCFD framework are set out on pages 62–64.

Executive management

Oversight and governance of ESG performance sits at the highest level of management. In 2022, each of the three Executive Directors – the Group CEO, Group General Counsel and Group CFO, who together form the Executive Committee – were set an ESG-related objective as part of their 2022 Strategic Objectives, as agreed by the Remuneration Committee. These were assessed as part of their annual performance and remuneration. See the scorecard in the remuneration section of this report on pages 126-128 for details.

The Group General Counsel has responsibility for leading the delivery of the Group's overall ESG programme and updating the Board on ESG matters. The Group CFO has responsibility for delivering the Group's TCFD reporting, supported on a day-to-day basis by the Group Director for Corporate Affairs.

Business ethics

Trusted, long-term relationships are central to TP ICAP's approach to doing business. We are committed to the highest standards of integrity from all colleagues, in all that we do. The standards of behaviour are set out in our **Code of Conduct**. This is complemented by a range of policies and resources, including the TP ICAP Employee Handbook, Regional Compliance manuals, Malus and Clawback Policy, and Whistleblowing Policy.

Our **Whistleblowing Policy** and procedures are in place to ensure that any concerns about activity are handled fairly and effectively. They encourage and expect employees to speak out if they have legitimate concerns about wrongdoings. The policy clearly sets out the standards of expected behaviour, and how to raise a concern. It outlines how reports are investigated and provides assurances relating to confidentiality.

Throughout the year, all colleagues complete a programme of **mandatory training** to enhance professional integrity and safeguard against breaches. Modules include Preventing Market Abuse, Anti-Bribery & Corruption, and Anti-Money Laundering. Training is tailored dependent on role and region. Colleagues are also required to attest that they have read and understood their relevant region's Compliance Manual and the Group Code of Conduct. Completion is tracked and completion contributes to colleagues' annual performance review process.

To help maintain a strong **conduct culture**, leaders throughout the business communicate regularly on the importance of good behaviours. In addition, the firm's new Triple A Values emphasise the importance of Accountability in the workplace. This focuses on building trust by being accountable to ourselves, our colleagues, and our clients.

Systemic risk management

TP ICAP conducts robust assessments of the principal risks facing the Group, including those that could undermine the business model, future performance, solvency or liquidity, and reputation. The Group undertakes stress testing and scenario analyses to enhance its understanding of its risk profile.

We manage our risk profile through our Enterprise Risk Management Framework ('ERMF') and deliver the risk management strategy through a range of actions. They include clear communication of risk-related expectations and responsibilities from senior leadership, and remuneration structures that drive the right behaviours. For more detail please see pages 67-68 of the TCFD section and page 113 of the Risk Committee report.

Promoting transparent and efficient capital markets

TP ICAP sits at the centre of the world's financial, energy and commodity markets. We play a central role in connecting clients to liquidity and data solutions. This enables wholesale markets to function effectively and efficiently, notably in times of market stress. In terms of contributing to the efficient operation of capital markets through the provision of trusted market infrastructure, in 2022 we recorded no halts due to a public release of information and no pauses related to volatility.

Managing business continuity and technology risks

TP ICAP's Business Continuity Management practices focus on ensuring the safety of our staff and systems, minimising business disruption, and managing crises effectively.

Our crisis management teams are organised on a global and regional level. All events are escalated in accordance with the Group's Event Rating and Escalation Scale, as stated in the Group's Enterprise Risk Management Framework. Global and Regional Change Advisory Boards have oversight of all technology updates. IT incidents are tracked and managed based upon severity of incident against an application and IT Services tiering scale.

In 2022, TP ICAP experienced no IT, Business Continuity, data or cyber security breaches that caused significant market disruption or had a material adverse effect on our business.

Tax and other social payments

The Group has published a Group Tax Strategy, available on our website. This strategy explains that we are committed to complying with tax laws in a responsible manner and to having open and constructive relationships with tax authorities wherever we operate. The Group's tax risk appetite is low.

Political contributions

Nil. It is the Company's policy not to make cash contribution to any political party. However, within the normal activities of the Group, there may be occasions when an activity might fall with the broader definition of 'political expenditure'. Therefore, the Company has sought to obtain shareholder authority to make limited donations at each AGM.

More online

Read our **Group Tax Strategy** published on our website:
https://tpicap.com/tpicap/responsibility/our-commitments/group-tax-strategy

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TP ICAP is committed to continued adoption and alignment with the recommendations of the Task Force on Climate-related Financial Disclosures

Statement of Compliance

TP ICAP is committed to continued adoption and alignment with the recommendations of the Task Force on Climate-related Financial Disclosures. In compliance with the FCA Listing Rule LR 9.8.6R(8) on climate-related disclosure, we believe the information contained within this report to be consistent with the TCFD recommendations and recommended disclosures. We recognise that we are on a journey of continual improvement – with more to do – to move iteratively towards the most comprehensive response to TCFD. 2022 saw the Company commission a high-level qualitative climate change scenario assessment and focus on governance and risk. Reflecting our journey of improvement, this report sets out what we did in 2022, and what we will be doing in 2023. Our 2023 work programme includes a detailed quantitative and qualitative scenarios analysis, encompassing risks and opportunities. Completion of this detailed scenario analysis puts the Company on a pathway to full TCFD compliance by the end of 2023. All relevant information is included in this Annual Report on pages 62-70.

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Governance

The Board's oversight of climate-related risks and opportunities

2022

Board responsibilities

The Board has overall responsibility for climate-related risks and opportunities. During 2022, issues it considered relating to climate change were the regulatory backdrop and our associated action plans for 2022 and 2023.

Board oversight

The Group Board, and its Committees (Risk, Audit, and Remuneration), reviewed climate change-related issues three times in total during the year. These specific papers focused on reviewing progress against the Group's mandatory climate-related reporting requirements and the actions to advance our progress further. For example, at its December meeting, the Group Board reviewed and agreed a paper that set out the main elements of the climate change strategic framework for TP ICAP. The Board and Senior Management also attended a presentation by EY on Climate Change and TCFD Reporting. This focused particularly on the changing regulatory frameworks in the UK, and developments in Europe.

The Audit Committee had several engagements throughout 2022 about the firm's TCFD work programme. They received reports on TCFD progress, and reporting requirements, including recent Financial Reporting Council guidance.

The Group strengthened its ESG-related capabilities in 2022 by appointing Shane O'Riordain, Group Director, Corporate Affairs, reporting directly to the Chief Executive Officer. At TP ICAP, as part of his overall executive remit, Shane leads the Group's dedicated Sustainability function. This includes a Director of Sustainability & Community Investment and dedicated Investor Relations resource. Prior to TP ICAP, amongst his other responsibilities, Shane held sustainability leadership roles at Halifax, HBOS, Lloyds Banking Group and Royal Mail.

The Duties and Responsibility Sections of the Terms of Reference for the Remuneration Committee, Nominations & Governance Committee, Audit Committee, Risk Committee, Group Risk, Conduct and Governance Committee and Executive Committee were amended to include responsibilities on climate change. These changes make clear the particular responsibility of each committee in ensuring that the organisation fully responds to the requirement of the listing rule.

The Corporate Transactions Policy was updated to take account of Climate Change. Climate change-related risks and opportunities that any material acquisition or divestiture might generate for the Group in the short and medium term will be considered by proposers and decision-makers.

Climate change considerations were included in the annual budget process. For the 2023 budget period, we do not expect any material climate change-related financial impact on our business.

As noted above, all Board members receive information throughout the year and participate in climate-related workshops. Tracy Clarke is the overall lead on ESG. Tracy's experience includes being responsible for Corporate Affairs and Sustainability at Standard Chartered. She is also a current member of Chapter Zero. In addition, Edmund Ng is a member of Eastfort Asset Management's ESG Committee, which focuses on steering the fund portfolio towards sustainable investments by working closely with stakeholders that include regulators and service providers. Philip Price, Group General Counsel, retains overall responsibility for ESG matters. During the year, Robin Stewart, CFO, took responsibility for leading on TCFD.

2023

Under the climate change strategic planning framework, the Board review two substantive updates on climate change each year, including at the annual Strategy Day. Both the Board, and the Executive Committee, will review and agree a report on the findings of this detailed scenario analysis.

The Audit Committee will also review climate change. It will focus on TP ICAP's adherence to the UK regulations, emerging regulatory requirements in other jurisdictions, and the quality of TP ICAP's climate change data.

The Risk Committee reviewed a paper on Climate Change Risk Framework in January 2023. The Committee is committed to reviewing climate-related risks and TP ICAP's risk management framework on a regular basis. These reviews will focus on the climate-related risks and opportunities that have been identified, including the potential financial and strategic impact to the Group, following our in-depth scenario analysis work.

Management's role in assessing and managing climate-related risks and opportunities

The management team has a significant role in assessing and managing climate-related risks and opportunities. The level of activity increased in 2022 and is expected to increase further in 2023. In 2022, the Terms of Reference of several management committees and working groups were amended to clearly articulate the role of each in delivering TP ICAP's climate response.

The **Executive Committee's** responsibilities are clearly set out in its Terms of Reference. The Committee's primary duty is to oversee, monitor and review the Group's climate change strategy and execution, including the embedding of the TCFD deliverables under the four pillars (Governance, Risk, Strategy and Metrics) across the Company.

The Executive Committee's Terms of Reference include reviewing on a regular basis the Group's progress, including the climate change scenario analysis required under UK regulation and an assessment of the potential impact of climate change on the Company's business model: revenue, costs, etc. Finally, a review of the Company's own carbon emission targets and progress is also a specific part of the Committee's remit. This year, the Executive Committee reviewed the proposed climate change strategic planning framework, and received a detailed update on progress around TCFD and Scopes 1, 2 and 3.

Senior managers, including our Executive Director with responsibility for ESG and members of the Group Management Committee ('GMC'), play an active part in the working groups that oversee climate-related activity and performance. Philip Price (Executive Director) and Martin Ryan (GMC member), David Goodchild (GMC member) and Sue Maple (GMC member) all attend the ESG Forum.

The **Group ESG Forum** reports into the Executive Committee. It has Group-wide responsibility for TP ICAP's environment, social and governance impact. Regarding climate change, this includes overseeing climate-related risks and opportunities to support strategic decision-making; implementing policies, delivery, communications, and disclosures; tracking the emerging climate change physical and transitional risks and monitoring regulatory developments. The Forum is chaired by the Group Director of Corporate Affairs. The other members are the Group General Counsel, Group Head of HR, Group Chief Operating Officer, Group Head of Risk, Group Head of Marketing and Communications and the Chief Procurement Officer. The ESG Forum met three times in the year. Philip Price, the Group General Counsel, updates the Executive Committee on climate change matters arising from the Group ESG Forum.

During the year, a **Climate Change Working Group** was set up. It meets regularly and is chaired by the Group Director, Corporate Affairs. Its purpose is to ensure that all climate change commitments and actions are being quickly and effectively indicated. It draws membership from Finance, Procurement, Facilities, Change Management and Corporate Affairs.

Robin Stewart, Executive Director and Chief Financial Officer, is the chair of a dedicated **TCFD Working Group**, which we have established. Its membership includes Finance, Risk, representation from the four Business Divisions and Corporate Affairs. In 2023, the group will meet regularly and focus on the actions needed to complete the implementation of the TCFD pillars across our business. The Group Director, Corporate Affairs has day-to-day responsibility for embedding TCFD across the business. In addition, the CEOs of our four business divisions all participated in workshops in 2022 to help identify, agree and prioritise the climate-related risks and opportunities facing our business as part of the high-level climate change scenario analysis conducted in 2022.

In summary, these management arrangements feed into the relevant board committees and to the Board itself. Clear terms of reference are in place for each. All parts of the organisation are aligned to the Company's response to Climate Change and complying with the UK regulatory requirements.

ESG Governance Structure

* TCFD Working Group will be operational in 2023.

Strategy

The climate-related risks and opportunities TP ICAP has identified over the short, medium, and long term

Our approach, including materiality

We are at the early stages of an ongoing process to assess the impact of climate change on our business, and its associated materiality. We acknowledge that we have more to do to fully meet the TCFD requirements, notably regarding creating potential impact pathways to link climate-related risks and opportunities to financial performance.

Our approach to materiality is centred around qualitative and quantitative factors. As a first step, in 2022 we undertook a high-level climate change impact analysis of the physical and transition risks and opportunities facing our business.

Process we adopted

From a physical risk perspective, the analysis assessed 40 sites globally according to seven potential hazards: wildfires, inland floods, heatwaves, drought, sea level rise, water stress and cyclones. Risk exposure was assessed on a low, medium and high scale based on SustGlobal thresholds.

The qualitative element of the assessment included desk-based research, staff interviews, and workshops involving senior executives from across the Group and the CEOs of our four business divisions. This qualitative approach sought to identify transition risks and opportunities according to three types: (1) Market and Technology Shifts, (2) Policy and Legal, and (3) Reputation. We then worked to assign the risks and opportunities identified to a specific geography, business or function, and sub-sector within a business or function. We also worked to assign a short or medium-term timeframe to the risks and opportunities, and prioritise them in order of importance.

More broadly, our governance processes are also a material aspect of how we consider the impact of climate change. In 2022, we strengthened our approach in this area. Examples include establishing a climate change framework for the Group's key Board and executive committees. This underpins the regular review of climate change and its potential impacts on our business. In addition, we incorporated the TCFD risk drivers into our overall Enterprise Risk Management Framework. Potential climate-related risk impact on all our risk types is now actively assessed.

Time frame

TP ICAP operates according to a short-term time frame of 0–3 years, the main element being a detailed one-year budget planning cycle. This reflects our role as a broker whose activities are market driven. The Group does not have a defined time frame for the medium term. However, for the purpose of evaluating climate-related risks and opportunities, we have defined medium term as 3–5 years as part of our high-level climate change analysis. We will return to the medium-term time frame as part of our detailed scenario analysis in 2023.

The Group does not adopt a long-term planning process. Over the immediate 2023 budget period, we do not expect any material climate change-related financial impact on our business.

The outcome of the high-level climate change analysis informed our risk assessment process as laid out in our Enterprise Risk Management Framework (see pages 72-74 for detail). Together, the analysis and risk assessment identified the following risks and opportunities.

Risks

From a Group-wide perspective, we identified the short-term policy and legal risk of potentially failing to comply with climate-related regulatory requirements. Additionally, potentially being unable to meet expectations in relation to climate strategy and performance could lead to reputational risk and key stakeholders – for example, investors, clients and suppliers – being unwilling to engage with the Group and its four business divisions.

In the medium term, the high-level analysis identified that of the Group's four business divisions, Energy & Commodities would most likely be affected by climate change. For example, market and technology shifts could lead to the risk of the business not responding effectively to changes in client demand, or to the emergence of new competitors focused on providing sustainable solutions (for example, specialist voluntary carbon trading platforms). This could adversely affect Energy & Commodities revenues over time. More broadly across the Group, the direct, or indirect, impact of physical or transition climate risk on counterparties could result in an increased probability of counterparty defaults.

In both the short and medium term, the potential impact of physical or transition climate risk on the Group, third-party infrastructure providers or other key suppliers could lead to a loss of our critical infrastructure and compromise our ability to do business. Whilst the overall results of the high-level physical risk analysis show that our sites have a low exposure to physical climate hazards under a high emissions future, some exposures do exist that should be monitored moving forward. 21 assets face high exposure, most commonly to cyclones (Southeast Asia), heatwaves (Middle East and Southeast Asia), drought and water stress (across regions). Across larger sites, Singapore and New York face water stress and some cyclone exposure. 14 of the 21 high exposures begin occurring in the short term, most located in the Middle East.

Opportunities

In the short term, market and technology shifts mean our Energy & Commodities division can play a strategic role globally in helping to enable the transition from 'traditional' fuels by developing its offering in renewable broking, so unlocking new, sustainable revenues streams. The by-product of these new broking solutions would be new sources of data that Parameta Solutions, our data and analytics division, could monetise.

Over the medium term, by building a reputation as a progressive intermediary and pivoting growth towards sustainability, TP ICAP can attract and retain talent, new investors, and new clients.

In 2023, we will undertake a more detailed climate scenarios analysis, including climate-related risks and opportunities. From this the Group will calculate the potential future financial impact, where methodologies allow. The 2023 work, as noted above, will be accompanied by intensive engagement with the Board.

The impact of climate-related risks and opportunities on TP ICAP's businesses, strategy, and financial planning

Impact on the Group

During 2022, TP ICAP's strategy and planning have been informed by high-level scenario work using variants of the IPCC's SSP2 and SSP5 scenarios for physical risks and NGFS Scenarios Net Zero 2050, Divergent Net Zero and Delayed Transition scenarios for transition risks and opportunities. We will continue to use these 'scenario sets'. They provide a consistent scenario storyline for assessment whilst recognising that there are a growing number of scenario sources, where several may be applied as part of the climate scenario analysis. The scenario sets used by TP ICAP include an aggressive policy scenario where transition risks are high, a low mitigation scenario where physical risks are high and a middle of the road/disorderly transition scenario to reference the in-between.

Impact on financial performance and strategy

For the 2023 budget period, we do not expect any material climate change-related financial impact on our business. We are in the process of considering how material climate-related issues affect our business strategy. In 2022, this has been carried forward by engagement with senior management across the business. The Climate Change impact assessment has highlighted areas of exposure across our key sites and business operations. We have also strengthened our understanding of the exposure of our largest suppliers to climate change and the level of their own emissions.

Our understanding of the impact of climate change grew as a result of our engagement in 2022. By the end of 2023, owing to the further work noted above, we expect to have mapped out how climate-related issues affect financial performance (eg, revenues, costs) and financial position (eg, assets, liabilities) and to have that understanding inform our business plans.

Prioritisation and transitioning plans

TP ICAP prioritises its climate-related risks and opportunities through the system of working groups described in the Management's role in assessing and managing climate-related risks and opportunities section of this report.

Initial high-level scenario work has been completed. More detailed work is commissioned for 2023 to map out how climate-related issues could impact our financial performance. Following on from that we will develop a Transition Plan that takes into account the UK's 2050 Net Zero Carbon commitment. We have set a 2026 Scope 1 and 2 absolute emissions reduction target, which will make a direct contribution moving towards a low-carbon economy. For more detail, see the Metrics and Targets section on pages 68-70.

The resilience of TP ICAP's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

The climate-related scenarios we considered during 2022 included consideration of time horizons up to 2100. The analysis of physical risk considered 40 sites, including data centres. We applied two climate scenarios, which followed the Intergovernmental Panel on Climate Change ('IPCC') guidelines: the worst-case 'Fossil-fuelled development' scenario, and the 'Middle of the Road' scenario. The hazards considered were cyclones, drought, heatwave, inland flooding, sea level rise, water stress and wildfire.

The analysis showed that most TP ICAP sites, including data centres, have low overall exposure to physical climate hazards even under a high emissions future. Facilities faced low long-term exposure, most prevalently to cyclones (Southeast Asia), drought (across regions), water stress, sea-level rise and heatwaves (Middle East and Southeast Asia). 14 of the 21 high exposures identified begin occurring in the short term. Most high exposures were in Middle East, APAC, with one in the US and one in the Nordics. This does not pose an immediate threat to the resilience of our operations but nonetheless is being fully integrated into our planning.

TP ICAP is not immune from physical risks stemming from climate change. TP ICAP generates its income through broking. It is key therefore that the Group correctly recognises which elements of the business will grow or decline as clients, the economy and governments adapt to the transition to a low-carbon economy. We keep this under review and will return to it as part of our detailed climate-change analysis work that will be completed in 2023.

We are developing our resilience to climate change through a continuous journey of improvement to better understand the potential impacts of climate change. As noted, we commissioned an external consultancy to undertake high-level scenario work in 2022. We will build on that during 2023 with much more detailed scenario work. To help complete this detailed work we have commissioned a third-party specialist agency, Corporate Citizenship. This will better equip the organisation to make informed assessments on the potential impact of climate-related issues on the Group's financial performance (eg, revenues, costs) and position (eg, assets, liabilities) implications. This work includes a 2°C or lower scenario, and other scenarios with higher levels of warming and increased physical risk.

The high-level scenario analysis done to date on climate-related physical and transitional risk and opportunities, combined with the feedback from Business and Functional heads as part of the 2023 budget process, does not show any financially material risk that will affect the Group in 2023. We will keep this under review pending the detailed climate change analysis work that we will do in 2023.

Risk Management

TP ICAP's processes for identifying and assessing climate-related risks

Climate-related risks are identified, assessed and managed within the overall scope of our Group-wide Enterprise Risk Management Framework ('ERMF').

In 2022, the Risk function used the output of the high-level climate change impact analysis to inform the risk assessment process as laid out in the ERMF. The high-level scenario analysis process involved desk-based research, interviews with a broad range of stakeholders, and several workshops with senior managers from across the Group. It was facilitated by an external consultant. The analysis focused on the physical and transition risks and opportunities arising from climate change over the short and medium term. We followed the TCFD typology to categorise the risks and opportunities: namely, Physical, Market and Technology Shifts, Reputation, and Policy and Legal.

The ERMF risk assessment process includes:

> A review of the risks recorded in the Group's Risk Register;
> A review of the risk appetite framework and risk management requirements, as these relate to climate risks; and
> An assessment of the Group's current climate risk profile relative to risk appetite.

TP ICAP has identified and assessed the potential size and scope of climate-related risks by building upon the definition of the risk Climate change – transition to net zero set out in the Emerging Risks section of the Annual Report and Accounts 2021. Following the 2022 risk assessment, climate-related risk has been elevated from the Group's Emerging Risk Register to the Risk Taxonomy, which contains the Group's actively managed risks. This ensures the requisite level of visibility for management and governance, as well as external stakeholders.

The Board articulates the overall level of risk the Group is willing to accept for the various risks it faces within its Risk Appetite Statement, including climate-related risks. This includes defining the Group's overall loss tolerance and its targeted level of prudential adequacy. The Risk Appetite Statements are cascaded and operationalised throughout the Group via a framework of risk appetite implementation metrics.

The Group principally assesses its risk profile, through the above processes, over a time frame of the next 12 months. It also seeks to identify any potential changes to its risk profile over the short and medium term. Given that TP ICAP's core business is broking and therefore markets-led, the Group does not undertake long-term planning or risk assessment.

Applying climate-related risk considerations to our existing risks has not materially changed the assessment of their risk profile in the short term. This is because we do not foresee any probable climate change-related risk consideration crystallising in the next 12 months that will materially affect our business. However, the Group has identified several climate-related risks that could lead to a change in risk profile over the medium term. These include potential transition and physical impacts on the Energy & Commodities business, potential physical impacts on the Group's operational resilience in certain locations in Asia Pacific and the Middle East, and the likelihood of increased regulatory focus on climate risks. We will keep these risks under close review.

In 2023, we will continue to identify, assess and manage our climate risk profile through our ERMF. To enhance this process, we will build on the high-level climate change analysis undertaken in 2022 and conduct a significantly more detailed qualitative and quantitative review in 2023, the output of which will inform our approach. This will include existing and emerging regulatory requirements. As detailed in the Governance section (page 82), the Group will also embed the climate change strategic planning framework to integrate climate considerations into BAU management processes and systems.

TP ICAP's process for managing climate-related risks

We manage climate-related risks by incorporating them into our ERMF. This process includes:

> Logging how the risk has been recorded in the Group's Risk Register – ie, by amending an existing risk type or defining a new risk;
> Detailing how the risk has been incorporated within the Group's Risk Appetite Framework;
> Outlining key mitigants or controls adopted to manage the risk; and
> Making a high-level assessment of the risk profile for each relevant risk.

In 2022, we amended the definitions of the following risks to include climate-relate risk considerations:

> **Business Continuity and Crisis Management Risk** now includes the risk that the Group fails to address appropriately physical or transition climate risk impacts on the Group, or third-party infrastructure and business continuity providers.
> **Credit Risk** now includes the risk that a counterparty defaults due to the direct or indirect impact of physical or transition climate risk.

- **Strategy Design and Implementation Risk** now includes the risk that the Group:
  - Fails to respond effectively to the impact of physical or transition climate risk on client demand;
  - Fails to address any long-term loss of operability, due to the impact of physical or transition climate risk impacts on the Group, its employees, third-party infrastructure providers or other key suppliers which fundamentally undermines the Group's ability to operate its business models; or
  - Incurs reputational damage caused by a failure to meet stakeholder expectations in relation to ESG strategy and performance (including climate change), leading to key stakeholders being unwilling to deal with the Group (including investors, clients, suppliers and employees).

In addition, a new risk was introduced entitled **Climate Risk Regulatory Compliance**. This is defined as the risk that the Group fails to comply with climate-related regulatory requirements in any of the jurisdictions in which TP ICAP operates, with potential sanctions for non-compliance including fines, public censure and associated damage to the Group's reputation.

As part of the ERMF, the Group operates a formal issue management process across the three lines of defence to manage any issues which could materially impact the Group's risk profile. The risk identification process involves identifying a designated senior manager as 'risk lead' for all material risks who has overall responsibility for overseeing the management of that risk across the Group. In determining the appropriate response, the Group will prioritise its remediation activity according to the potential impact of each relevant risk.

See pages 76-81 in the Risk section of this report for a review of the Group's principal risks, how climate change relates to these principal risks, and associated key mitigants.

How TP ICAP identifies, assesses and manages climate-related risks are integrated into the organisation's overall risk management

We manage climate-related risks within the scope of our overall existing ERMF. Please see pages 72-74 for more details.

Metrics and Targets

The metrics used by TP ICAP to assess climate-related risks and opportunities in line with our strategy and risk management process

The key metrics used to measure and manage climate-related risks and opportunities are TP ICAP's Scope 1, 2 and 3 emissions.

We follow the Greenhouse Gas Protocol in calculating and, where necessary, extrapolating our emissions. We report our corporate emissions under the operational control method. We therefore account for 100% of the greenhouse gas (GHG) emissions where we have operational control. This includes TP ICAP and its subsidiaries.

Building emissions and business travel data was collected as part of SECR compliance covering 1 January 2022 – 31 December 2022. This data covered building energy use, refrigerant use, business travel and waste.

Purchased Goods & Services emissions and global train travel emissions were calculated using the environmentally extended input-output (EEI/O) table method based on emissions per GBP spend.

TP ICAP measures and reports its emissions for Scope 1, 2 and five of the 15 Scope 3 GHG emission categories. These are outlined in the table below. The target and carbon reduction strategy relates to this scope.

Scope	Subscope	
Scope 1	Fuel Combustion	✓
	Company Vehicles	✓
	Fugitive Emissions	✓
Scope 2	Purchased Electricity, Heat or Steam	✓
Scope 3	Purchased Goods & Services	✓
	Capital Goods	✗
	Fuel & Energy	✓
	Upstream Transportation and Distribution	✗
	Waste Disposal	✓
	Business Travel	✓
	Commuting	✓
	Upstream Leased Assets	✗
	Downstream Transportation and Distribution	✗
	Processing of Sold Products	✗
	Use of Sold Products	✗
	End-of-life treatment of Sold Products	✗
	Downstream Leased Assets	✗
	Franchises	✗
	Investments	✗

✓ In parameter.
✗ Out of parameter.

We do not disclose 10 out of the 15 Scope 3 GHG categories because we do not have any emissions, or any significant emissions, in these areas.

Specifically, Capital Goods are captured in Purchased Goods & Services. We are not a manufacturer that requires mass delivery of raw materials. We don't lease any assets, aside from our buildings, the emissions of which are covered in Scopes 1 and 2. We sell a service and do not distribute physical products for others to use or process and sell on. The services we sell – for example, trade execution and advisory – do not generate their own emission streams. We have no franchises, and, as a broker, we do not lend money or make investments.

Other metrics
Given the nature of our business, we judge climate-related risks associated with water, land use and waste management to be immaterial.

In addition to TP ICAP's Scope 1, 2 and 3 emissions, performance-related metrics are included in the Company's remuneration approach for Executive Directors for the execution of key deliverables, regulatory or otherwise, in relation to climate change. Their bonus is determined 70% based on financial performance and 30% based on performance against a scorecard of non-financial objectives. Five per cent in total is based on attainment of certain ESG targets, which focus on net zero, gender diversity and the new business approval process.

We have not yet evaluated our sensitivity to carbon pricing being used by governments to regulate emissions as we judge both the likelihood of occurrence and the likelihood of impact upon us to be low. Nonetheless, we will include modelling of this in our work scheduled for 2023.

Scope 1, Scope 2 and Scope 3 GHG emissions, and the related risks
2021 baseline and 2022 performance
Recognising that TP ICAP is on a journey of continual improvement, in 2022 we strengthened our emissions data collection and management.

Scope 1 and 2 emissions
Specifically for Scope 1 and 2 emissions, work was done to, a) build a fuller picture of our real estate footprint and, b) broaden the coverage of sites from which we collect data. This increased from c.70% of our total footprint in 2021 to c.85% in 2022 and includes all our major sites and data centres. This improvement in data capture, quality and analysis meant that we have updated our 2021 baseline. We will continue to review our baseline and potentially make further adjustments in future given our focus on continually improving our data management process.

Scope 3
Turning to Scope 3 Purchased Goods & Services, enhanced data collection and analysis has also been carried out. Emissions calculations are now based on actual emissions for top suppliers, where this data is available, as well as extrapolation. The outcome is an indicative Scope 3 2021 baseline. We will continue to review and potentially adjust this Scope 3 baseline as we develop our approach.

The 2022 emissions for Purchased Goods & Services have been calculated using the 2022 total spend for 1/1/22 – 31/10/22. This data was then extrapolated to cover the remaining two months of the year.

Emissions performance
In 2021, TP ICAP's restated total emissions was 60,535.6 tonnes of carbon dioxide equivalent (t/CO_2e). T/CO_2e is the standard unit for emissions reporting accounting for all greenhouses gases, including carbon dioxide.

In 2022, TP ICAP's total emissions equalled 58,177.1 t/CO_2e. This equates to a 3.9% reduction in 2022 compared to 2021. Notably, we reduced our Scope 1 and Scope 2 emissions by 20.8% year on year. 66% of our emissions stem from Scope 3 Purchased Good & Services.

Targets used to manage climate-related risks and opportunities, and performance against these targets
Scope 1 and 2 – Target and roadmap
To help meet the Net Zero ambition set by the UK government, our absolute emissions target is to be carbon neutral across both Scope 1 and Scope 2 emissions by the end of 2026.

On Scope 1 and 2, we continue to make progress with emissions reducing 21% in the year. As previously noted, it is unlikely that we will be able to replicate the energy savings benefits delivered by our property consolidation programme in 2022.

Turning to the roadmap between now and the end of 2026, the main elements are expected to be, a) continued property rationalisation where possible, b) energy efficiency, including working with our landlords and, c) the purchase and retirement of renewable energy certificates ('RECs') and purchase of carbon offsets. We will again update on our progress next year.

Scope 3
In 2022, we worked to establish an indicative Scope 3 emission 2021 baseline for Purchased Goods & Services. This was based on an assessment of our top c.30 suppliers, which account for c.45% of our total annual spend. The balance of our annual spend is spread across a long tail of smaller suppliers.

We have engaged these core suppliers by issuing questionnaires to gather their relevant data and action plans for addressing Scope 3 emissions. 41% of all suppliers responded. This response rate increased to 70% when focusing on our top 10 suppliers. Our independent advisors, Anthesis, used this to calculate an indicative Scope 3 emissions 2021 baseline.

The Scope 3 emissions 2021 baseline is indicative only. Our core suppliers are at different stages of their reporting journeys, and we have not engaged the entirety of our supply chain. We will continue to engage with them to, a) pursue a better-quality Scope 3 emissions baseline and, b) develop a deeper understanding of their plans to address their emissions. We note, however, that seven of our top ten suppliers (accounting for c.24% of all our estimated Scope 3 emissions) have published commitments to be net zero on their Scope 3 emissions by 2050. Against this backdrop, we have no plans to set a Scope 3 emissions reduction target at this time, and will continue to engage with our key suppliers about their net zero plans.

Carbon emissions

	Total		Global		AMER		APAC		EMEA	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Scope 1 t/CO_2e	**2,030.6**	2,592.4								
Of which from Fuel Consumption	**1,538.9**	1,308.3			**1,306.0**	1,194.6	**–**	–	**232.9**	113.8
Of which from Fugitive Emissions	**491.7**	1,284.0			**–**	–	**–**	400.4	**491.7**	883.6
Scope 2 t/CO_2e – Purchased Electricity, Heat or Steam	**7,585.2**	9,544.5			**3,873.1**	4,685.9	**1,921.3**	2,514.4	**1,790.8**	2,344.3
Scope 3 t/CO_2e	**48,561.3**	48,398.7								
Of which Purchased Goods & Services (incl Capital Goods)	**38,548.9**	37,482.8	**38,548.9**	37,482.8	**–**	–	**–**	–	**–**	–
Of which Fuel & Energy	**2,818.6**	4,459.0			**1,675.9**	1,934.1	**471.6**	774.2	**671.1**	1,750.8
Of which Waste Disposal	**88.8**	111.2			**34.1**	22.6	**15.8**	54.8	**39.0**	33.8
Of which Business Travel	**2,146.4**	2,326.4			**639.3**	1,466.4	**556.7**	240.4	**950.4**	619.7
Of which Employee Commuting	**4,958.5**	4,019.3			**2,647.7**	1,951.3	**1,188.0**	901.9	**1,122.8**	1,166.1
Total t/CO_2e	**58,177.1**	60,535.6	**38,548.9**	37,482.8	**10,176.2**	11,254.8	**4,153.3**	4886.0	**5,298.6**	6,912.0

An independent third party has calculated the above greenhouse gas emissions estimates to cover all material sources of emissions for which the Group is responsible. The methodology used was that of the 'Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2015)'. Responsibility for emissions sources was determined using the operational approach. All emission sources required under the 'Companies, Partnerships and Groups (Accounts and non-financial reporting) Regulations 2016' are included.

Energy consumption

The below table and supporting narrative on page 52 summarise the Streamlined Energy and Carbon Reporting (SECR) disclosure in line with the requirements for a quoted company, as per The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The disclosure also extends beyond the scope of a quoted company and includes emissions and energy consumption from business travel via air and taxi (Scope 3).

	Current reporting year 1 January 2022–31 December 2022		Comparison reporting year 1 January 2021–31 December 2021	
	UK	**Global (excluding UK)**	UK	Global (excluding UK)
Energy consumption used to calculate Scope 1 emissions (kWh)	**1,005,363**	**7,425,125**	523,842	6,619,294
Energy consumption used to calculate Scope 2 emissions (kWh)	**7,035,901**	**16,295,855**	8,903,850	17,683,819
Energy consumption used to calculate Scope 3 emissions (kWh)	**2,614,954**	**5,969,685**	1,113,048	4,353,142
Total energy consumption based on the above (kWh)	**10,656,217**	**29,690,665**	10,540,740	26,656,254
Intensity ratio: tCO_2e (gross Scope 1,2,+3) per employee	**2.26**		2.43	

Viability statement and going concern

Viability statement

The Board of Directors has assessed the prospects for, and viability of, the Group over a three-year period to the end of December 2025.

We believe that a three-year time horizon remains the most appropriate timeframe over which the Directors should assess the long-term viability of the Group. This is on the basis that it has a sufficient degree of certainty in the context of the current position of the Group and the assessment of its principal risks, and it matches the business planning cycle. This time horizon is broadly in-line with the weighted average maturity of our debt facilities comprised of revolving credit facilities and corporate bond portfolios.

The assessment has been made taking into account the following:

> The Assessment of the Group's Principal Risks, including those that would threaten the Group's business model, future performance, solvency and liquidity. These risks are also discussed in the risk management report on pages 72 to 85;
> The Group Internal Audit Opinion that contains an assessment of the effectiveness of the Group's risk management and internal control systems;
> The Going Concern Review that assesses whether the Group has access to sufficient liquidity to meet all of its external obligations and operate its business, for a period of at least 12 months from the date of the Annual Report;
> The Group Review of Capital and Liquidity Adequacy ('GRCLA') that assesses the capital and liquidity position of the Group on a consolidated basis, in both base and stressed conditions;
> The Review of Internal Capital Adequacy and Risk Assessment ('ICARA') process undertaken by the EMEA Sub-Consolidation Group and the UK regulated entities; and
> The assessment of the Group's external credit rating by Fitch Ratings.

The Directors consider that they have undertaken a robust assessment of the prospects of the Group and its principal risks over a three-year period, and, on the basis of that assessment, have a reasonable expectations that the Group will be able to continue in operation and meet its liabilities as they fall due over at least the period of assessment.

In arriving at this conclusion, the Directors have made the following assumptions:

> The Group maintains access to liquidity through the Group's £350m Bank revolving credit facility and ¥10bn (c.£63m) Totan revolving credit facility (see Note 25 on page 183);
> The Group does not experience any material change in its capital or liquidity requirements, including as a result of the Supervisory Review and Evaluation Process for the EMEA Sub-Consolidation Group currently being undertaken by the FCA for the first time under the IFPR regime which came into effect in 2022;
> The Group takes appropriate actions to maintain continuity of operations in the EU following the UK's departure from the EU and to mitigate the potential adverse effects arising from Brexit, including the potential fragmentation of liquidity and consequential reduction in trading volumes; and
> The Group is not materially impacted from litigation and regulatory investigations in a negative way.
> The 5.25% £247m Sterling Notes maturing in January 2024 will be repaid from a combination of existing cash resources generated from earnings, cash released from the £100m capital release project, announced as part of the Group's half year results in 2022, with the remainder refinanced through the credit facilities and/or through new bond issuance.

Going concern

The Group has sufficient financial resources both in the regions and at the corporate centre to meet the Group's ongoing obligations.

The Directors have assessed the outlook of the Group for at least 12 months from date of approval of the financial statements by considering medium-term projections as well as stress tests and mitigation plans. The stress tests include material revenue reductions, significant one-off losses, losing the Group's investment grade status resulting in increased finance costs and slow-down in collection of trade debtors. The stress case also assumes that the Group does not refinance the £247m 2024 Sterling Notes maturing in January 2024 during the period of the assessment. Under these tests we continue to have sufficient liquidity and are compliant with all covenants after taking mitigating actions such as reducing costs, suspending dividends and delaying investments.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Annual Report and Accounts continue to be prepared on the going concern basis.

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