



# 2024 SUSTAINABILITY INVESTOR DECK

# Materials included in this deck

*The 2024 Sustainability Investor Deck summarizes key highlights from our 2024 Corporate Sustainability Report. Please refer to the full report [here](#) for complete information regarding the topics covered in this deck. This presentation includes data as of and for the year ended December 31, 2023, unless otherwise indicated.*

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# LPL overview



## Mission

We take care of our advisors and institutions so they can take care of their clients



## Vision

Become the leader across the advisor-mediated marketplace

### Who we are

- We serve the advisor-mediated marketplace as the largest independent broker-dealer in the U.S.<sup>(1)</sup> and a top custodian<sup>(2)</sup>
- We provide advisors with the front-, middle- and back-office support they need to serve the large and growing market for comprehensive financial advice

### What we do

- **We serve advisors and institutions so they can...**
  - Help their clients achieve life's goals and dreams
  - Run thriving businesses
- **We deliver...**
  - Value-added capabilities that help advisors and institutions provide differentiated experiences for their clients
  - Personalized solutions from flexible and compelling affiliation models to services that help advisors and institutions run extraordinary businesses
  - Liquidity & Succession capabilities for advisors seeking to transition their business

~22,700 Advisors

~\$1.4T Assets<sup>(3)</sup>

### Who we serve

- **Independent Advisors:** ~12,700
- **Independent RIA:** ~6,300 (~570 firms)
- **Institution Services:** ~3,700 (~1,100 institutions)
- **Advisor channel:** ~\$1,020B
- **Institution channel:** ~\$330B

**#1 Independent Broker-Dealer**

*Financial Planning Magazine*

**Top RIA Custodian**

*Cerulli Associates*

**Fortune 500 Company**

(1) As reported by Financial Planning Magazine, 1996-2023, based on total revenue

(2) LPL is ranked the #4 RIA custodian by assets, based on Cerulli Associates' 2022 U.S. RIA Marketplace Report

(3) Brokerage and advisory client assets, serviced or custodied

## A message from our CEO



**Dan Arnold**

President and  
Chief Executive Officer  
LPL Financial



*We are privileged to support our advisor and institutions with their extraordinary work, and every day we aspire to bring our mission to life: taking care of our advisors so they can take care of their clients. As we continue to live into that mission, we believe that good corporate citizenship, matched with an empowering, people-first culture, are key enablers for durable, long-term success.*

*As we look ahead, we will continue to innovate and stay agile and nimble to meet our sustainability goals and objectives. And we will do so by leveraging purposeful, data-driven strategies and focusing on key areas for good corporate citizenship — including responsible governance, community involvement, and fostering a culture of belonging.*

A handwritten signature in blue ink that reads "Dan Arnold". The signature is written in a cursive style.



# LPL sustainability governance

## Board of Directors

Oversight of performance, risks, and opportunities

### Board committees

- Nominating and Governance Committee
- Audit and Risk Committee
- Compensation and Human Resources Committee

### Nominating and Governance Committee

Consists entirely of independent directors

**Role:** Primary oversight of our ESG program and initiatives

## Risk Oversight Committee

Led by senior level executives, it serves as the most senior risk management committee and reports to the Board Audit and Risk Committee

**Role:** Oversees climate risk-related impacts to the firm

## ESG Steering Committee

Includes a cross-functional group of senior leaders whose business areas impact LPL's sustainability program, overseen by the Head of ESG

**Role:** Sets the sustainability strategy and roadmap by maturing disclosures, policy, and accountability for ESG initiatives across LPL

### Sustainability Team

**Role:** Implements sustainability and climate strategy

### Functional and program leaders

**Role:** Report to the Sustainability Team and ESG Steering Committee on progress on initiatives within LPL's sustainability roadmap

## Climate Task Force

Reports quarterly to the Risk Oversight Committee, and is led by the Sustainability Team and includes members from Facilities, Research, Finance, Enterprise Resiliency, Government Relations, Technology, Legal, and Procurement

**Role:** Oversees all climate risks, impacts, and reporting

## Management Committee

Consists of the Chief Executive Officer and Managing Directors

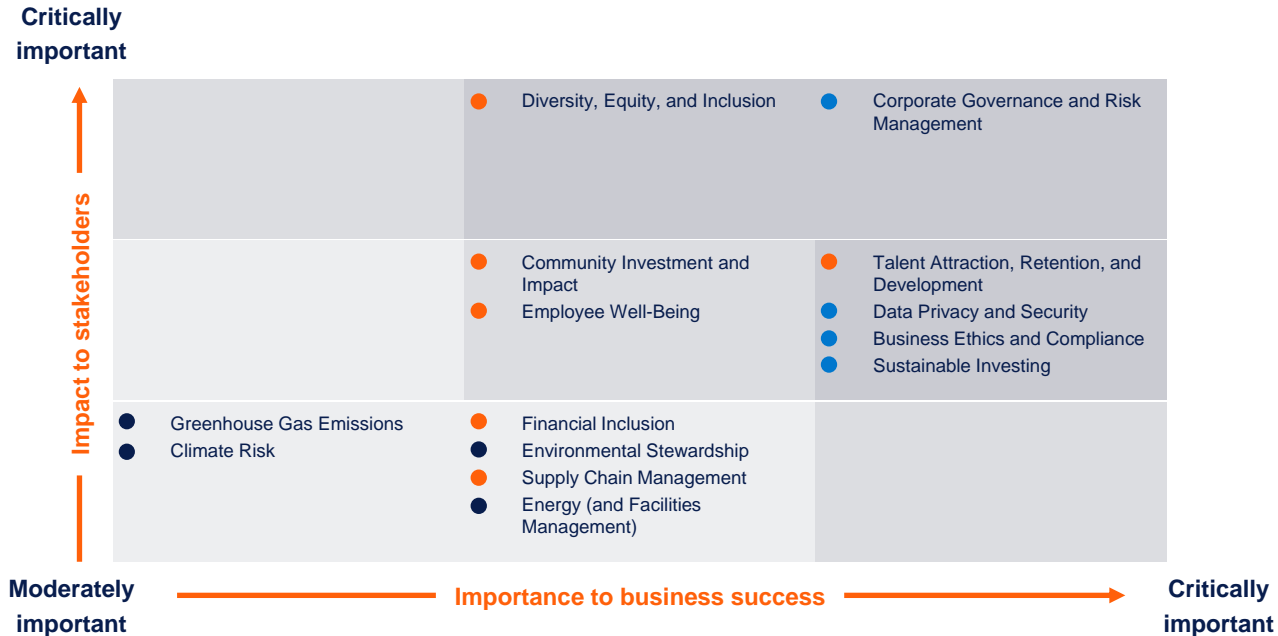
**Role:** Responsible for overall management, guiding strategy, and operational direction

## Internal Audit function

**Role:** Independent overseer of risk management, internal controls, public reporting, and governance processes

# ESG materiality assessment

We refreshed our materiality assessment in 2023, which led to refined sustainability strategic pillars that support the prioritization of key programs and commitments



# Progress on our new strategic pillars in 2023

The results from our ESG Materiality Assessment refresh led to the development of four new strategic pillars that guide our approach to sustainability.



## Responsible Business

*Uphold a culture of transparency, ethics, and integrity for LPL and our vendors*

- Allocated \$49.5M supplier spend to certified diverse suppliers
- Added a new strategic risk program, which includes oversight of climate-related matters
- Introduced inaugural Outside Counsel DEI Award to promote diversity in the legal profession



## People and Culture

*Reduce our impact on the environment through sustainable operations*

- Launched a type 2 diabetes reversal program for employees and dependents
- Invested in learning, with employees completing over 260,000 training hours
- Increased LPL's participation in our 10 Employee Resource Groups, with 2,360 employees participating in 2023



## Societal Impact

*Enable employees and advisors to thrive in an inclusive and values-driven culture*

- Increased sustainable investing assets managed by advisors by 5%
- Offered a pro bono financial literacy course for advisors to use with clients and their families
- Marked a 23% increase in employee volunteer hours



## Environmental Stewardship

*Support a sustainable, diverse, and inclusive financial system for our clients & communities*

- Reduced single-use plastics in corporate offices by 75%
- Purchased and cancelled Green-E certified Renewable Energy Certificates covering Scope 2 Market-based energy supply for all corporate offices

# Goals to enhance responsible sourcing





# Initiatives to progress diversity, equity, and inclusion

- As part of our goal to be a DEI leader, we factor in both industry growth trends and our desire to be at or above the upper range of diversity benchmarks
- We have several programs in place to move these targets forward, including recruiting events to attract talent to the firm, internal/employee training programs to dedicate talent to open roles, and ERGs/mentorship for top talent retention
- Please see EEO-1 table in the appendix for more information on LPL employees



(1) Against a baseline of 39% in 2022

(2) Against a baseline of 29.2% in 2022



# Metrics impacting our end-clients and the communities where we work and live

Increased sustainable investment assets managed by advisors

By:

**5%**

To:

**\$12.4B**

Increased employee volunteer hours

By:

**23%**

To:

**15,000+** hours

LPL Financial Foundation contributed

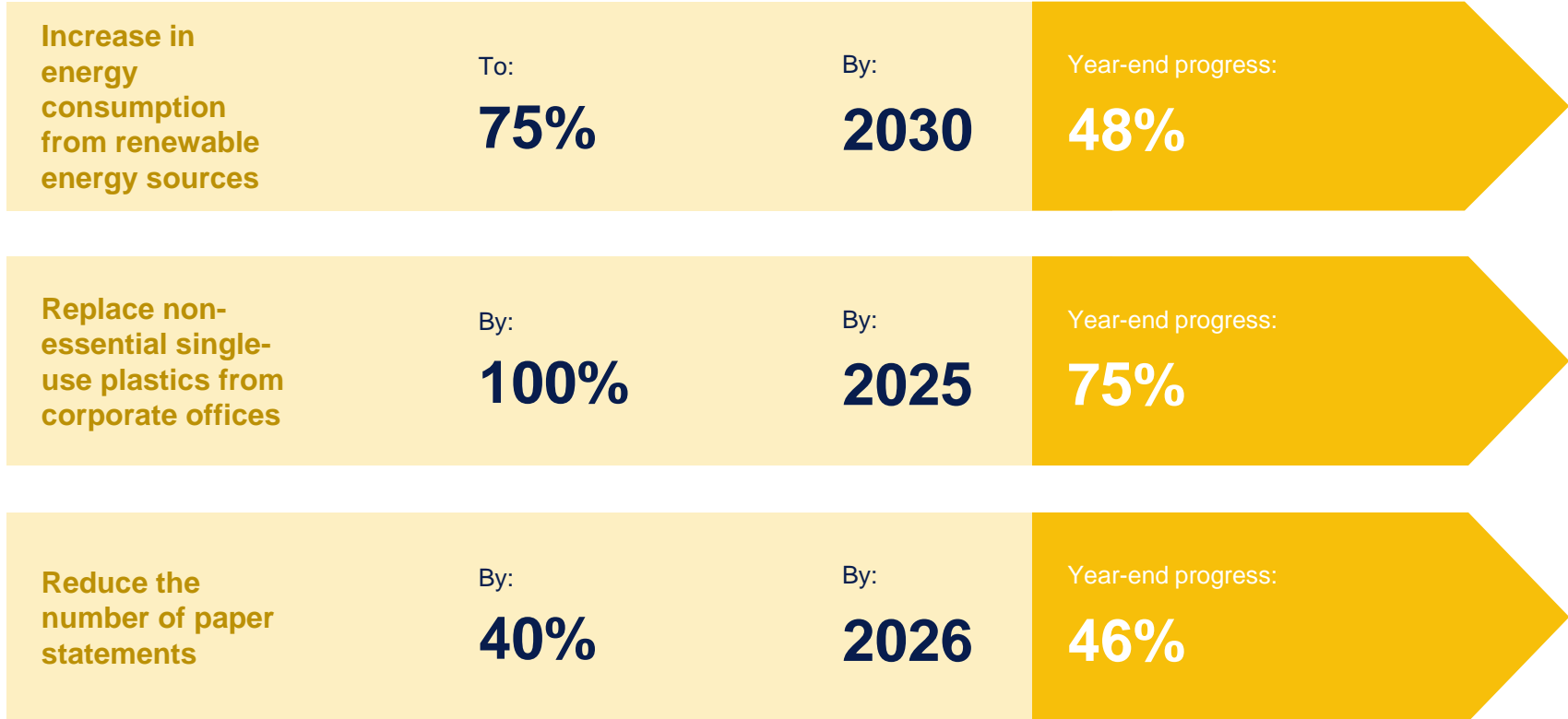
Over:

**\$2,500,000**

To:

**Nonprofit organizations focused on enhancing financial education**

# Targets to advance our climate risk management initiatives





# GHG emissions and energy consumption (mtCO<sub>2</sub>e)

	2022	2023
<b>Scope 1 emissions</b>	1,510	893
<b>Scope 2 emissions</b> <i>(location-based)</i>	6,027	4,110
<b>Scope 2 emissions</b> <i>(market-based)</i> <sup>(1)</sup>		-
<b>Scope 3 emissions</b> <i>(location-based)</i> <sup>(2)</sup>	1,899	6,165
<b>Scope 3 emissions</b> <i>(market-based)</i>		5,624
<b>Total Energy Use</b> <i>(MWh)</i>	19,574	30,112
<b>Total Electricity</b> <i>(100% renewable)</i>		14,657
<b>Electricity Use Intensity</b> <i>(MWh/sq. ft.)</i> <sup>(3)</sup>		0.0116

(1) In 2023 LPL purchased Green-E Certified Renewable Energy Certificates (RECs)

(2) We have expanded our Scope 3 emissions reporting to include waste, business travel, and upstream leased assets (data centers). Data centers in previous years have been included in our Scope 2 reporting.

(3) Excluding data centers



# APPENDIX

# Composition of our workforce in 2023<sup>(1)</sup>

Race/Ethnicity: Self-Identified								
Job categories <sup>(1)</sup>		Exec/Sr level officials and managers	First/mid-level officials and managers	Professionals	Sales workers	Administrative support workers	Total	
American Indian or Alaska Native (not Hispanic or Latinx)	Female	0	3	10	0	3	16	
	Male	0	1	3	0	0	4	
Asian (not Hispanic or Latinx)	Female	1	175	244	2	54	476	
	Male	3	297	286	5	40	631	
Black or African American (not Hispanic or Latinx)	Female	1	126	653	5	151	936	
	Male	0	96	309	8	57	470	
Hispanic or Latinx	Female	1	96	185	14	41	337	
	Male	0	3	8	0	2	13	
Native Hawaiian or other Pacific Islander	Female	0	1	7	2	2	12	
	Male	0	2	32	4	2	40	
Not specified	Female	0	9	15	11	4	39	
	Male	0	40	83	4	22	149	
Two or more races (not Hispanic or Latinx)	Female	0	44	77	7	19	147	
	Male	10	734	980	22	194	1,940	
White (not Hispanic or Latinx)	Female	27	1,130	983	105	139	2,384	
	Male	12	1,160	2,221	42	462	3,897	
<b>Total</b>	Female	12	874	1,822	24	448	3,180	
	Male	31	1,674	1,865	152	302	4,024	
	<b>Total</b>	<b>43</b>	<b>2,834</b>	<b>4,086</b>	<b>194</b>	<b>764</b>	<b>7,921</b>	

(1) Categories prescribed by the U.S. Equal Employment Opportunity Commission for purposes of the federal EEO-1 report

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<b>Not Insured by FDIC/NCUA or Any Other Government Agency</b>	<b>Not Bank/Credit Union Guaranteed</b>	<b>Not Bank/Credit Union Deposits or Obligations</b>	<b>May Lose Value</b>
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