



ENVIRONMENTAL STEWARDSHIP POLICY

LPL is a leader in the retail financial advice market and the nation's largest independent broker-dealer.* We serve independent financial advisors, financial professionals, and financial institutions, providing them with the technology, research, clearing and compliance services, and practice-management programs they need to create and grow their practices. We seek to progress our environmental performance across four main impact areas:

- **Paperless:** Utilizing eDelivery to substantially reduce statements and other advisor/client communications delivered via mailings
- **Energy use and emissions:** Reducing energy consumption in our offices, through reduced travel, and within our operations
- **Water consumption:** Lessening water consumption across our facilities
- **Waste:** Decreasing the volume of waste generated by our operations and increasing the percentage of waste that is recycled, repurposed, or otherwise added to circular economy systems

Governance

The environmental performance of our operations is managed according to impact area:



Facilities

Management:

Senior Vice President and Vice President of Corporate Real Estate

Executive level oversight:

Chief Human Capital Officer



Supply chain

Management:

Senior Vice President Supply Chain/ Procurement

Executive level oversight:

Chief Financial Officer



Paper impacts

Management:

Vice President of IIS Product Management

Executive level oversight:

Senior Vice President, Product Management, End Investor

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In addition to direct oversight, the LPL ESG Steering Committee consults and supports these environmental topics, assisting with strategic development and reporting on impacts.

Strategy

Our environmental performance is managed through three key elements:

- **Programs and initiatives:** The identification and implementation of programs and initiatives that provide targeted opportunities to improve our environmental performance. Examples of existing initiatives include the LEED certification of our office buildings and the use of fuel cells in our San Diego Office.
- **Goal-setting and performance monitoring:** The development of metrics and goals to track environmental impact performance. Examples include the use of a third-party to collect and monitor office energy use in LPL facilities and setting goals to reduce paper use across all LPL operations.
- **Reporting and transparency:** The reporting of environmental information internally to LPL management and decision-makers, and external reporting. Examples include quarterly reporting to LPL's Nominating and Governance Committee and delivery of our annual Sustainability Report.

Paperless efforts

Based on our industry, we are particularly focused on paper consumption, which represents one of our highest impacts on the environment. We continue to reduce the use of paper by driving several initiatives which include:

- Automatic system alerts and communications prompting clients to select paperless communications with one click
- Consolidating multiple communications, such as those related to automated clearing houses, into single communications
- Expanding the list of communications eligible for eDelivery to include tax documentation
- Procuring paper from sources certified as sustainable, such as the Forest Stewardship Council (FSC)

Stakeholder engagement

As we continue to evaluate and manage our environmental performance, we are committed to consulting with stakeholders. Examples of this include:

- **Employee engagement:** Our employees provide feedback to our facilities team and participate in our office recycling, volunteering engagements, and other green initiatives.

- **Investor engagement:** We engage with our investors on environmental stewardship through our Investor Day, annual Proxy and ESG report.
- **Advisor engagement:** LPL's sustainable investing study group is our largest study group at the firm, with a regular focus on environmental and climate-related topics.

Environmental and climate-related issues also have an impact on the investment products LPL offers on our platform. We offer a recommended list of sustainable investing managers, where, through our detailed investment manager research efforts, we identify a list of third-party asset managers who are committed to the principles of sustainable investing—alignment, emphasis, and engagement. For more information on how we manage these concerns, refer to our [annual sustainability report](#).

LPL is committed to providing relevant and adequate disclosures on our environmental and climate-related activity. This policy will be reviewed and updated annually by LPL management and made available to our stakeholders and the public.

*As reported by *Financial Planning* magazine, June 1996-2020, based on total revenue.

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