

20
23

SUSTAINABILITY REPORT

CONTENTS

Introduction

About This Report 3
Message from Our CEO 4
About LPL Financial 5

Sustainability and Transparency at LPL

6

Sustainability and Transparency at LPL 7
Our Strategic Pillars 8
Stakeholder Engagement 9
Sustainability Governance 10
2023 Year in Review 11
LPL at a Glance 12
Awards and Recognition 13

Responsible Business

14

Responsible Business 15
Business Ethics and Compliance 16
Product Risk 17
Enterprise Risk Management 17
Cybersecurity and Data Privacy 18
Public Policy and Advocacy 18
Responsible Sourcing 19

People and Culture

20

People and Culture 21
Employee Benefits 22
Diversity, Equity and Inclusion 23
Employee Training and Professional Development 25
Advisor Training and Professional Development 26
Advisor Engagement and DEI 27

Societal Impact

28

Societal Impact 29
Sustainable Investing 30
Financial Inclusion 31
Service Affordability 31
LPL Financial Foundation and Community Impact 32

Environmental Stewardship

34

Environmental Stewardship 35
Climate Action 36
Operational Sustainability 37

Appendix

38

I: Governance 39
II: ESG Consolidated Data Sheet 43
III: GRI Content Index 52
SASB Content Index 62



Contents

➤ **Introduction**

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

Appendix

LPL Financial
Sustainability
Report 2023

ABOUT THIS REPORT

LPL's 2023 Sustainability Report focuses on environmental, social, and governance (ESG) topics, which are informed through stakeholder perspectives. We continue to advance our sustainability strategy and programs by leveraging our roadmap, which is structured around pillars that align to our business:

1. Responsible business
2. People and culture
3. Societal impact
4. Environmental stewardship

These pillars guide decision making around the initiatives that drive our ESG progress and reinforce our commitment to creating positive, lasting change for employees and for advisors and their clients. This report focuses on progress made in 2023. For information on previous initiatives and progress, please refer to our [previous Sustainability Reports](#).

In 2022, we released our inaugural [Climate Report](#) in alignment with the standards of the Task Force on Climate-related Financial Disclosures (TCFD). The report provides additional insights on how we identify, manage, and mitigate climate-related risks and opportunities.

Report boundaries

This report describes our approach to managing our most material ESG topics, offering both qualitative and quantitative disclosures. In early 2023, we conducted a refresh of our [ESG materiality assessment](#), the results of which were used to define the content for this report.

This report and the data presented cover January 1, 2023, through December 31, 2023. For additional information, please visit [LPL's Social Responsibility page](#).

Reporting guidelines and content

This report was prepared using reporting industry standard frameworks and guidance documents, including the revised 2021 Global Reporting Initiative (GRI) Sustainability Reporting Standards and the Sustainability Accounting Standards Board (SASB) sector standards for Asset Management and Custody, Consumer Finance, and Investment Banking and Brokerage. A mapping of our disclosures to both GRI and SASB frameworks is outlined in [Appendix III of this report](#). Throughout this report, we highlight the key areas where we believe both our competencies as a firm and our sustainability initiatives can help advance the United Nations Sustainable Development Goals (SDGs).

When we use the terms "LPL Financial," "LPL," "we," "us," "our," and the "company," we mean LPL Financial Holdings Inc., a Delaware corporation, and its

consolidated subsidiaries taken as a whole, unless the context indicates otherwise. The intended audience of this communication is the general public, and the purpose is to communicate the business operations of LPL Financial. Throughout this communication, the terms "financial advisors" and "advisors" include registered representatives and investment advisor representatives affiliated with LPL Financial LLC, an SEC-registered broker-dealer and investment advisor.

When we refer to "materiality" and other similar terms, we refer to it specifically in the context of ESG and sustainability topics; we are not employing these terms as they are used under securities laws or any other laws of the United States or any other jurisdiction, nor are we using them in the context of financial statements and financial reporting. Our focus is on addressing ESG and sustainability matters relevant to our role as an independent broker-dealer, investment advisory firm, and custodian.

Reporting uncertainties

Nonfinancial information is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. Various measurement techniques can result in materially different measurements, and the precision of different measurement techniques may also vary.



Contents

➤ Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

Appendix

LPL Financial
Sustainability
Report 2023



MESSAGE FROM OUR CEO

**A message from Dan Arnold,
President & CEO, LPL Financial**

Throughout 2023, our advisors and institutions continued to provide their clients with much-needed financial guidance. In doing so, they not only reinforced the value of their advice, but helped millions of Americans on the journey to achieve their life goals and dreams. We are privileged to support 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.

In that spirit, I'd like to provide some color on LPL's corporate sustainability efforts in 2023 and touch on our focus areas for 2024 and beyond.

Looking back at 2023

In 2023, we engaged in an environmental, social, and governance (ESG) Materiality Assessment, a process we periodically conduct to help ensure we're focusing on the right priorities for our stakeholders, including our advisors, employees, regulators, and shareholders.

Through that process, we refreshed our sustainability focus areas to reflect four strategic pillars:

- **Responsible Business**
- **People and Culture**
- **Societal Impact**
- **Environmental Stewardship**

In this report, we'll click down into these four pillars, which reflect our ongoing commitment to ensuring that LPL is both a transparent and responsible corporate citizen, as well as a great place to work.

We believe that commitment is evident in the recognition we received for our sustainability efforts in 2023, including:

- Newsweek's "America's Most Responsible Companies" for the fourth year in a row
- Equality 100 Award
- LUMINARIES Community Impact Award
- Charlotte Business Journal's "Best Places to Work"

In 2023, we also advanced our environmental efforts—including publishing our inaugural Climate Report—while being recognized by Newsweek as one of "America's Greenest Companies."

Innovating for tomorrow

As we look ahead, we will continue to innovate and stay agile and nimble in order 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.

In doing so, we believe we'll be well-positioned to deliver great experiences for our team, drive profitable growth for our shareholders, and help our advisors and institutions differentiate and win in the marketplace.

Keeping you informed

I hope this report provides helpful context on our ESG efforts in 2023 and how we're continuing to enhance our strategy for corporate responsibility and sustainability.

As we move forward, we will continue to keep you informed on our progress, as well as on what's ahead.

Thank you for your partnership.

Sincerely,



ABOUT LPL FINANCIAL

Founded on a vision that took shape more than three decades ago, LPL has become a cornerstone in supporting more than 22,000 financial advisors, including advisors at approximately 1,100 institutions and approximately 570 registered investment advisor firms nationwide, who serve more than 8.3 million client accounts across the United States.

Driven by the belief that financial advisors should have autonomy to shape their businesses and guide clients toward financial security, our founders laid the groundwork for a firm that places the advisor at the forefront of everything we do. Today, we remain steadfast in our commitment to the advisor-mediated model and the belief that Americans deserve access to personalized guidance from a financial advisor.

At our core, we provide financial advisors with the freedom they deserve to choose the business model, services, and technology resources that allow them to run a thriving business. Independence extends beyond operations to encompass the management of client relationships, recognizing advisors' unique understanding of their clients' needs.

For more information regarding our business operations and financial results, please visit the [About LPL](#) and [Investor Relations](#) pages on our website.

- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- People and Culture
- Societal Impact
- Environmental Stewardship
- Appendix

Mission and values

Our mission: to take care of our advisors, so they can take care of their clients.

Our corporate values help us activate and execute on our mission every day.



One team on one mission

We believe that it is up to each of us — every single employee — to deliver on our mission.



Seek, embrace, and apply feedback

We learn from our mistakes and use feedback to help us achieve a better outcome.



Deliver results for our advisors and their clients

We make it easy for advisors to do business with us, as we earn their business every day and hold ourselves accountable for seeing things through for them.



Stop and consider the big picture

We exercise judgment, spot issues before they happen, and solve problems using data and logic.



Contents

Introduction

▶ Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

Appendix

SUSTAINABILITY AND TRANSPARENCY AT LPL

LPL Financial
Sustainability
Report 2023



SUSTAINABILITY AND TRANSPARENCY AT LPL

- Contents
- Introduction
- **Sustainability and Transparency at LPL**
- Responsible Business
- People and Culture
- Societal Impact
- Environmental Stewardship
- Appendix

Our approach is guided by our sustainability mission to take care of our advisors, clients, and communities while building trust with our mutual stakeholders. In pursuit of operating our business in a responsible and sustainable manner, we continuously strengthen the management of our most material ESG topics.

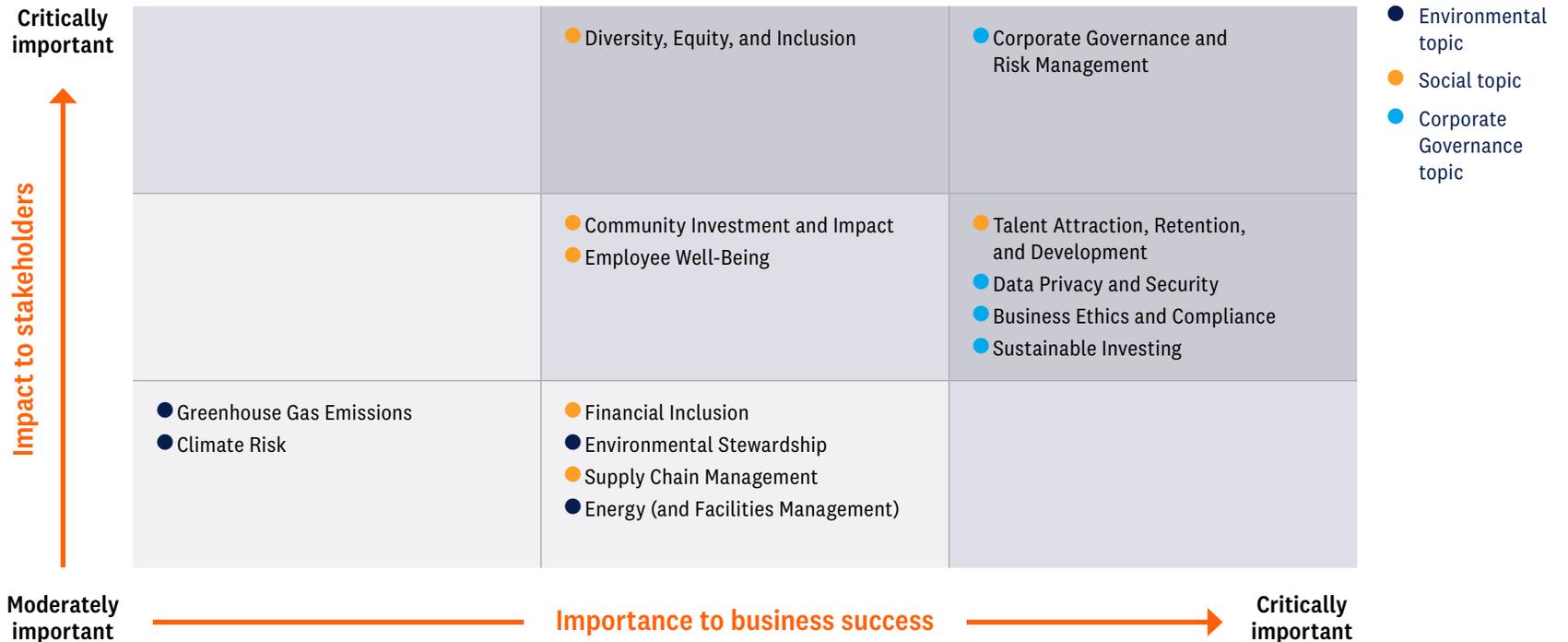
Sustainability overview and vision

The 2023 LPL ESG Materiality Assessment refresh represents a crucial step in our sustainability journey and was executed in alignment with industry standards and stakeholder expectations. In this section, we outline how the results of our ESG Materiality Assessment refresh led to our refined sustainability strategic pillars and support the prioritization of key programs and commitments.

2023 LPL ESG Materiality Assessment

We periodically reassess our ESG priorities to respond to the evolving sustainability landscape, stakeholder expectations, and our overall strategy. Through research, benchmarking, and engagement with internal stakeholders (including an ESG Steering Committee), we refreshed our ESG Materiality Assessment, consolidating 29 topics into 14. Results placed a greater emphasis on social and corporate governance topics.

ESG Materiality Assessment





OUR STRATEGIC PILLARS

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



PEOPLE AND CULTURE

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



SOCIETAL IMPACT

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



ENVIRONMENTAL STEWARDSHIP

Reduce our impact on the environment through sustainable operations

Contents

Introduction

➤ Sustainability and Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental Stewardship

Appendix



STAKEHOLDER ENGAGEMENT

Our strategy is informed by the diversity of perspectives of our key stakeholders. We continuously seek ways to engage with our stakeholders, as outlined below.

Stakeholder group	Engagement mechanisms	Stakeholder group	Engagement mechanisms
Financial advisors	<ul style="list-style-type: none"> In-person and virtual engagement events with LPL directors Feedback and recommendations on diversity, equity, and inclusion (DEI) topics from the 14-member Advisor Inclusion Council Surveys Industry groups, roundtables, events, and conferences 	Communities	<ul style="list-style-type: none"> Charitable donation matching program for employees and advisors LPL Financial Charitable Foundation (LPL Financial Foundation) philanthropic donations and strategic partnerships with community-based nonprofits Employee volunteering opportunities
Board of Directors (Board)	<ul style="list-style-type: none"> Board meetings and Nominating and Governance Committee meetings Quarterly reports to share updates on sustainability programs and initiatives 	Shareholders	<ul style="list-style-type: none"> Annual shareholder meetings Annual and quarterly reports and proxy statements Ongoing shareholder events and meetings to maintain open dialogue and business results, including quarterly earnings calls Proactive outreach to ESG-focused investors
Employees	<ul style="list-style-type: none"> Engagement campaigns to collect input, including annual culture surveys Company intranet, internal social media channel, newsletters, company-wide announcements, and updates Regular communication, including virtual and onsite town halls with Q&As Manager relationships to solicit 1:1 feedback throughout the organization Leadership Inclusion Council serving as a critical thinking group on DEI topics Diverse recommendations and input on topics important to employees from employee resource groups (ERGs) Quarterly sustainability roadmap check-ins with relevant business units 	Regulators	<ul style="list-style-type: none"> Proactive policy engagement and outreach with officials at all levels of government
		Suppliers	<ul style="list-style-type: none"> Direct outreach on contracts and procurement procedures Engagement with critical suppliers to help manage supply chain risks and opportunities Outreach to expand diversity within our supply chain Focus on having vendors align to LPL's Vendor Code of Conduct
		Trade associations	<ul style="list-style-type: none"> Trade association events, advisory panels, and issue-specific forums

- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- People and Culture
- Societal Impact
- Environmental Stewardship
- Appendix



SUSTAINABILITY GOVERNANCE

We believe that robust governance practices are central to the success of our sustainability strategy and business performance. While our board is actively engaged in and updated on ESG matters, its Nominating and Governance Committee¹ has primary responsibility for oversight of our ESG program and initiatives, and the ESG

Steering Committee sets the strategy and roadmap.² Further details on the ESG Steering Committee's responsibilities can be found in the [ESG Steering Committee Charter](#). The below table displays key governance functions that touch sustainability, including the role particular functions play in our overall sustainability governance structure.

<p>Board of Directors</p>		
<p>Oversight of performance, risks, and opportunities</p>	<p>Board committees</p> <ul style="list-style-type: none"> ▪ Nominating and Governance Committee ▪ Audit and Risk Committee ▪ Compensation and Human Resources Committee 	<p>Nominating and Governance Committee</p> <p>Consists entirely of independent directors Role: Oversight of our ESG program and initiatives</p>
<p>Risk Oversight Committee (ROC)</p> <p>Led by senior level executives, they serve as the most senior risk management committee and report to the Board Audit and Risk Committee Role: Oversees climate risk-related impacts to the firm</p>		
<p>ESG Steering Committee</p>		<p>Climate Task Force</p>
<p>Includes a cross-functional group of senior leaders whose business areas impact LPL's sustainability program, overseen by the Head of ESG</p> <p>Role: Sets the sustainability strategy and roadmap by maturing disclosures, policy, and accountability for ESG initiatives across LPL</p>	<p>Sustainability Team Role: Implements sustainability and climate strategy</p> <p>Functional and program leaders Role: Reports to the Sustainability Team and ESG Steering Committee progress on initiatives within LPL's sustainability roadmap</p>	<p>Reports quarterly to the ROC, and is led by the Sustainability Team and includes members from Facilities, Research, Finance, Enterprise Resiliency, Government Relations, Technology, Legal, and Procurement</p> <p>Role: Oversees all climate risks, impacts, and reporting</p>
<p>Management Committee</p> <p>Consists of the Chief Executive Officer and Managing Directors Role: Responsible for overall management, guiding strategy, and operational direction</p>		<p>Internal Audit function</p> <p>Role: Independent overseer of risk management, internal controls, public reporting, and governance processes</p>

1. More details on the Committee's roles and responsibilities are detailed in our [Nominating and Governance Committee Charter](#).
2. More information on our executive oversight and management structure is outlined in [Appendix I: Governance](#) of the report.

- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- People and Culture
- Societal Impact
- Environmental Stewardship
- Appendix



2023 YEAR IN REVIEW

Contents

Introduction

➤ Sustainability and Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental Stewardship

Appendix

LPL Financial Sustainability Report 2023

Responsible Sourcing³

Goal

Increase certified diverse supplier spend to an average of **8% or more** by 2028, from a 2022 baseline of 4.4%

2023 Result

4.1%
certified diverse supplier spend

Achieve **100%** top-tier vendor alignment with LPL policies and 85% or greater with remaining vendors by 2028

53%

alignment of top-tier⁴ vendors and 26% of remaining vendors with LPL's Vendor Code of Conduct

How We Advanced Toward Our Goals

Spend with diverse suppliers in 2023⁵

\$60M minority-owned | **\$51M** women-owned | **\$0.8M** veteran-owned

 Launched process to collect DEI-related data during vendor onboarding procedures

Employee DEI

Goal

Increase Associate Vice President (AVP)+⁶women representation at LPL by **3%** by 2026, from a baseline of 39% in 2022

2023 Result

39%
AVP+ women representation at LPL

Increase AVP+ People of Color representation at LPL by **2%** by 2026, from a baseline of 29.2% in 2022

31.3%

AVP+ People of Color representation at LPL

How We Advanced Toward Our Goals

3X growth in our career programs since 2019

100+ career events to advance diverse talent attraction efforts

 Increased representation of our 10 ERGs to 2,360 LPL employees, marking a **41% rise** from 2022

Environmental Stewardship

Goal

Paper: Reduce number of paper statements mailed by **40% or greater** by 2026, from a baseline of 2.4 million per month average in 2022

2023 Result

46%
reduction in number of paper statements mailed

Waste: Remove/replace **100%** of all nonessential single-use plastics from our corporate offices by 2025

75%
reduction of all nonessential single-use plastics from our corporate offices

Energy: Increase share of energy consumption from renewable energy sources to **75%** by 2030⁷

100%
of our Market-based energy consumption in all corporate offices sourced from renewable energy

How We Advanced Toward Our Goals



Initiated efforts to actively optimize our office footprint, aiming for improved operational energy efficiency

3. In LPL's 2022 Sustainability Report, we stated a target of 13% for certified diverse supplier spend based on a 2022 baseline of 6.4%. In 2022 we refined our reporting methodology and as a result, we adjusted our 2022 baseline to 4.4% and the target to 8%.

4. Supplier tier is based on risk.

5. Supplier categories are not mutually exclusive and spend may have overlap if a supplier falls into two or more of the listed categories.

6. "AVP+" encompasses all employees holding positions equal to or above the assistant vice president level.

7. LPL purchases Renewable Energy Certificates where we do not have operational control.



LPL AT A GLANCE

Contents

Introduction

> Sustainability and Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental Stewardship

Appendix

LPL Financial Sustainability Report 2023

Our Firm

\$4.0B

in gross profit

\$1.1B

in net income

\$1.4T

of total advisory and brokerage assets served

\$100B

in organic net new assets

8.3M

client accounts

99%

AUM⁸ retention rate for 2023

Our Culture



7,900+
EMPLOYEES
across the U.S.⁹



22,000+
FINANCIAL PROFESSIONALS
served by LPL



49%
women employees



264,000+
HOURS
in employee training



132,000+
HOURS
in advisor training



2,360
employees participating in 10 **Employee Resource Groups**

Our Impact



\$12.4B

invested by LPL Financial advisors' clients in sustainable products



~\$2.5M

in donations from the LPL Financial Foundation



15,000+
employee volunteer hours



91%
of eligible employees participate in 401(k) plan retirement programs

8. Assets under management.

9. The employee headcount excludes LPL's employee advisors and those staff directly supporting the employee advisors.



Contents

Introduction

➤ Sustainability and Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental Stewardship

Appendix

LPL Financial Sustainability Report 2023

AWARDS AND RECOGNITION

Technology and Innovation



Technology Innovation Award, Model Wealth Portfolios

Recognized by the Bank Insurance & Securities Association's for our commitment to advancements in technology-based solutions for the industry



Carolina Enterprise ORBIE Award

For our commitment to deliver innovation and technological advancements across LPL



Chief Technology Officer of the Year for Broker-Dealers

For empowering financial professionals through technology innovations and advancements

In the Workplace



"Best Places to Work"

For companies with the perks and policies to attract – and keep – top talent



Equality 100 Award

For our comprehensive policies, benefits, and practices that support greater equity for LGBTQ+ workers and their families



WELL Health-Safety Rating

For our efforts at our San Diego, Fort Mill, and Austin offices to prioritize the workplace health and safety of our staff, visitors, and stakeholders

Community Impact



LUMINARIES Community Impact Award

For our committed grant to Local Initiative Support Corporation to aid small businesses in San Diego



"America's Most Responsible Companies"

For our commitment to being good corporate citizens for fourth year in a row



"America's Greenest Companies"

For our performance on greenhouse gas emissions, water usage, waste generation, and commitment and disclosures



Contents

Introduction

Sustainability and
Transparency at LPL

➤ **Responsible Business**

People and Culture

Societal Impact

Environmental
Stewardship

Appendix

LPL Financial
Sustainability
Report 2023

RESPONSIBLE BUSINESS



- Contents
- Introduction
- Sustainability and Transparency at LPL
- **Responsible Business**
- People and Culture
- Societal Impact
- Environmental Stewardship
- Appendix

We are committed to robust policies and practices that uphold responsible and ethical business practices reflecting our dedication to transparency, integrity, compliance, risk management, professionalism, and ethical conduct.

2023 highlights



Government relations

Rallied 1,400 advisors to oppose the Department of Labor’s proposed “Retirement Security” rule through a grassroots campaign, submitting comment letters and meeting with members of Congress to raise concerns with potential limitations in product choice and accessibility for low- and middle-income retirement savers



Responsible sourcing

- Launched a DEI information collection process during vendor onboarding procedures
- Allocated \$49.5M supplier spend to certified diverse suppliers

More information on our executive oversight and management structure for responsible business is outlined in [Appendix I: Governance](#). Core metrics related to responsible business can be found in [Appendix II: ESG Consolidated Data Sheet](#).

Responsible business governance

Chief Executive Officer, Chief Legal Officer, Chief Financial Officer, Chief Privacy Officer, Chief Compliance Officer, Chief Risk Officer, Management Committee – including reports to the LPL Board of Directors and appropriate committees as needed

Objective: Demonstrate a high standard of ethics and integrity throughout the organization

Our work contributes to these SDGs:





Contents

Introduction

Sustainability and Transparency at LPL

➤ Responsible Business

People and Culture

Societal Impact

Environmental Stewardship

Appendix

LPL Financial Sustainability Report 2023

BUSINESS ETHICS AND COMPLIANCE

Code of Conduct

To support compliance, we mandate an annual Code of Conduct Acknowledgment from all employees, new hires, and advisors, without exemptions, with copies of the Code of Conduct readily available on the LPL intranet, LPL.com, and via key departments. Compliance monitoring occurs through stakeholder engagement, post-training feedback, mandatory annual trainings, tracking of various metrics related to advisor conduct and response to customer complaints, and disclosures. Our mandatory annual trainings comprise general ethics, anti-corruption, bribery, and international sanctions compliance. Failure to complete the training may result in business interruption and potential termination.

Commitment to ethical integrity

We employ the following mechanisms to address potential ethical concerns:

<p>Ongoing evaluation of conflict management</p> <p>As part of a strong culture based on integrity and in accordance with regulatory expectations, LPL maintains a robust framework to manage perceived, potential, and actual conflicts of interest. This starts with supervising the activities and conduct of people in accordance with applicable laws, regulations, and company policies.</p>
<p>Whistleblower and Integrity Hotline</p> <p>Our Whistleblower and Integrity Hotline, operated by an independent service provider, facilitates confidential reporting of concerns. Reports can be made anonymously, in any language, 24 hours a day, seven days a week, with regular updates provided to senior management and oversight committees. We also have an Integrity Ombudsperson who is responsible for investigating and promptly acting on allegations and concerns reported to the hotline.</p>

Managing bribery, corruption, and money laundering

LPL manages bribery, corruption, and money laundering risks through strong enterprise policies.

<p>Anti-Bribery/Anti-Corruption Policy</p> <p>Outlines procedures to avoid improper influence in business decisions with mandatory reporting of violations either directly to the Chief Risk Officer or anonymously through the Whistleblower and Integrity Hotline</p>	<p>Anti-Money Laundering Policy</p> <p>Emphasizes internal controls for thorough customer due diligence, especially for high-risk accounts, and supports the prevention, detection, and reporting of money laundering, terrorist financing, or other criminal activities</p>
<p>Anti-Fraud Policy</p> <p>Focuses on prevention, detection, and prompt reporting of all fraudulent activities in alignment with our Code of Conduct</p>	<p>Anti-Corruption Compliance Policy</p> <p>Prohibits bribery or corrupt payments, applied comprehensively across the supply chain, with periodic updates for compliance for evolving regulatory requirements</p>

Fair labor practices

At the heart of our commitment to fostering a safe and equitable workplace is a dedication to upholding human rights and fair labor practices across our organization and supply chain. We execute on these commitments by confirming that non-exempt employees are paid above their state's minimum wage and in compliance with applicable requirements for overtime pay.



- Contents
- Introduction
- Sustainability and Transparency at LPL
- **Responsible Business**
- People and Culture
- Societal Impact
- Environmental Stewardship
- Appendix

PRODUCT RISK

As responsible stewards of financial products and services, Our Product Risk Management department¹⁰ takes a risk-based approach to oversight, performing differing levels of due diligence based on the product type and associated risk. Additionally, we depend on our Early Dispute Resolution department to address customer complaints, including with regard to emerging product risk. While we do not offer proprietary investment products of our own, we verify robust due diligence for products on our platform, controlling entry, and providing ongoing monitoring to mitigate risk. The Legal Intake Team manages and processes customer complaints. Quarterly, grievances are reported to the Financial Industry Regulatory Authority (FINRA), in compliance with regulatory standards.

Consumer and advisor protection

Protecting our consumers and advisors and verifying they have the tools and training needed to recognize and report exploitation is key to our pursuit of achieving responsible business. Our strategic focus on risk management, investor protection, and conflict mitigation reflects a proactive and responsible approach to financial services.

Our dedicated Senior Investor Protection (SIP) team

Our SIP team serves as the escalation point for employees and financial advisors, investigating suspected financial exploitation and abuse of seniors and vulnerable adults and providing guidance on various FINRA rules and state laws and regulations. In cases indicating diminished capacity or exploitation, SIP collaborates with financial advisors, involving Adult Protective Services, local law enforcement, and regulators to safeguard clients and their assets.

Approach to mitigating advisor conflicts

We aim to limit or mitigate all advisor conflicts, maintain a diverse product set without proprietary products, and leverage impartial research groups for macroeconomic insights and asset allocation advice. Ongoing efforts include standardized compensation, comprehensive advisor training, and transparent investor disclosures to consistently limit conflicts across various products and platforms.

ENTERPRISE RISK MANAGEMENT

In 2023, we restructured our Risk department to further our risk disciplines across the three lines of defense. In doing so we enhanced the leadership of our Enterprise Risk Governance, Operational, and Technology Risk teams and further advanced our disciplines around financial risk with the addition of new capabilities and leadership. We also revisited our risk appetite, risk taxonomies, metrics, and risk level standards, and will continue to evolve our transformation. New programs have been introduced such as strategic risk, which includes the oversight of climate risk-related matters.

In addition, we strengthened the leadership of our compliance function and clearly delineated the roles of Risk, Legal, and Compliance to ensure we are meeting the expectations of all our stakeholders. The ROC serves as the most senior risk management committee and reports to the Board Audit and Risk Committee. Refer to [Appendix I](#) for details on our ERM governance and management approach.

10. For more information on our management and oversight of available products and services on our platform, see our [Product Risk Governance Policy](#).



- Contents
- Introduction
- Sustainability and Transparency at LPL
- **Responsible Business**
- People and Culture
- Societal Impact
- Environmental Stewardship
- Appendix

CYBERSECURITY AND DATA PRIVACY

Our advisors, end-investors, employees, and business partners entrust us with their personal information every day. We recognize the importance of protecting personal information and enforce rigorous standards for compliance, preparation, and reporting, based on industry frameworks (e.g., National Institute of Standards and Technology Cybersecurity Framework, MITRE ATT&CK, and Cyber Kill Chain) as guidelines. These standards are verified by external and internal auditors who conduct annual security testing and periodic risk assessments. In accordance with applicable laws, we request and retain personal information in order to provide our services or for employment purposes. Through robust incident response measures and proactive training initiatives, we continue to strengthen our position as a responsible custodian of sensitive information.

LPL's Privacy team includes individuals dedicated to the review of data security events for potential breach notification obligations. Data security events can be reported 24/7 via multiple reporting channels. In addition, LPL is committed to preventing fraud from potential compromises through regular collaboration among various business units including Privacy, Information Security, Fraud, and Technology. Security event processes are supported by playbooks that are periodically reviewed and updated to adapt to the continually evolving threat landscape.

Training

LPL requires annual cyber training via the LPL U platform. Our advisors also participate in this required training and are invited to attend in-person training at LPL's flagship Focus conference. Employees, contingent workers, and advisors also participate in regular phishing simulations. This population and clients of LPL advisors are invited to cyber best-practice/awareness classes virtually or in person to learn how to keep data safe and secure.

Incident response

Our approach to handling events involving potential compromises of sensitive data includes prompt reviews of potential breaches, root cause analyses, and implementation of corrective actions. Supported by the Security Incident Response Plan, Incident Response Procedures, and annual tabletop exercises, this strategy supports compliance with breach notification laws and adaptability to evolving threats. Regularly updated incident response playbooks, mandatory annual security training, and proactive cybersecurity education initiatives reflect our dedication to maintaining a culture of vigilance around cybersecurity.

Human rights

LPL prioritizes the fair, ethical, and lawful collection, use, and processing of employees' and customers' personal information, and the respect of individuals' privacy rights, guided by our [Privacy Policy](#) and human capital policies. Our commitment to personal rights, as mandated by state laws, is evident, addressing potential violations promptly and providing necessary remedies.

PUBLIC POLICY AND ADVOCACY

Across the landscape of financial services, LPL aims to play a leading role in shaping regulatory discourse. Focused on key policy areas, our [Government Relations team](#) is committed to navigating challenges and advocating for impactful change in the lives of our employees, advisors, and end-investors through various strategic policy domains and advocacy efforts.

Public policy and advocacy key performance indicators (KPIs)

\$1,050,000

Total annual lobbying expenses

\$452,500

PAC funds spent on political donations¹¹

11. Political Action Committee (PAC) donations had nearly an even split between Democrats and Republicans.



- Contents
- Introduction
- Sustainability and Transparency at LPL
- **Responsible Business**
- People and Culture
- Societal Impact
- Environmental Stewardship
- Appendix

RESPONSIBLE SOURCING

We place a strong emphasis on supplier ethics, diversity, and human rights with the expectation that our suppliers share our values. Our [Vendor Code of Conduct](#) establishes our expectations for our suppliers to conduct their business ethically, commit to human rights, pursue environmental sustainability and stewardship, and promote DEI. We have taken steps to regulate our network of vendors by implementing policies, procedures, risk assessments, and training to our LPL vendor owner population on modern slavery and human trafficking.

- Our [LPL Human Rights Statement of Principles](#) aligns to the United Nations’ Guiding Principles on Business and Human Rights and the Principles for Responsible Investment.
- Our **Vendor Code of Conduct** aligns to the United Nations Universal Declaration of Human Rights, United Nations Guiding Principles for Business and Human Rights, and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.
- **Fifty percent** of our suppliers’ operations are covered by **ISO 14001** or an environmental management system.
- LPL has a **DEI information collection** process during vendor onboarding.

Our commitment to diversity spans far beyond our own workforce. With the launch of our DEI information collection process, we have expanded our capabilities to grow our diverse-owned and underrepresented supplier base.

In 2024, we intend to advance our goals through collaboration with key vendors by:

- Enhancing our diverse supplier spend program to achieve growth target and exploring opportunities to increase the number of diverse suppliers included in our request for proposal process.
- Further refining our ESG questions and data gathering process as part of our Vendor Performance Management balanced scorecards.

Outside Counsel DEI Award

In the spirit of having our suppliers align with LPL values, in 2023, LPL launched its Outside Counsel DEI Awards program as part of its partnership with the American Bar Association and the Commission on Racial and Ethnic Diversity in the legal profession, to promote diversity in the legal profession and expand opportunities for diverse professionals at all levels. The program recognizes law firms or individual attorneys who have worked with LPL and demonstrated a commitment to advancing DEI at their firms and in their communities.

Supplier diversity: our 2028 supply chain goals

Increase certified diverse supplier spend to an average of

8%

Year-end progress: Spent 4.1% of procurement spend with certified diverse suppliers

Achieve

100%

top-tier vendor alignment with LPL’s Vendor Code of Conduct and 85% or greater with remaining vendors

Year-end progress: Aligned 53% of top tier-vendors and 26% of remaining vendors with LPL’s Vendor Code of Conduct



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

▶ **People and Culture**

Societal Impact

Environmental
Stewardship

Appendix

LPL Financial
Sustainability
Report 2023

A photograph showing the lower legs and feet of four people standing in a row against a light blue wall. From left to right: a person in black pants and light blue high-heeled shoes; a person in khaki pants and brown leather shoes; a person in a black and white grid-patterned skirt and tan high-heeled sandals; and a person in a dark green skirt and tan high-heeled sandals. The floor is dark wood.

PEOPLE AND CULTURE



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

> **People and Culture**

Societal Impact

Environmental
Stewardship

Appendix

LPL Financial
Sustainability
Report 2023

We recognize the pivotal role our workforce plays. Transparency, inclusivity, and professional development form the bedrock of our work culture.

2023 highlights



Employee benefits

- Launched a type 2 diabetes reversal program for employees and dependents
- Enhanced our employee assistance program, providing quick, cost-free access to coaching, counseling, and therapy sessions to employees and their dependents



DEI

- Grew early-in-career programs threefold since 2019
- Continued to advance our efforts to attract diverse talent with 100+ career events
- Increased representation across our 10 ERGs, which now include 2,360 LPL employees



Employee training and professional development

- Invested in learning, with LPL employees completing 264,863 training hours
- Focused on development, with 100% of LPL employees completing a DEI training



Advisor training and professional development

- Hosted 28 diversity-focused events with 2,097 total advisor attendees
- Held the Achieve Women's Leadership Forum, hosting a record number of 239 top performing women advisors, with 135 of these being first-time attendees

More information on our executive oversight and management structure for people and culture is outlined in [Appendix I: Governance](#). Core metrics related to people and culture can be found in [Appendix II: ESG Consolidated Data Sheet](#).

People and culture governance

Chief Executive Officer, Chief Human Capital Officer, Chief Diversity Officer, Management Committee, Inclusion Council – including reports to the LPL Board of Directors and its Compensation and Human Resources Committee as needed

Objective: Provide opportunities for our most valuable assets

Our work contributes to these SDGs:





- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- **People and Culture**
- Societal Impact
- Environmental Stewardship
- Appendix

EMPLOYEE BENEFITS

We provide support to our employees and their families by offering a wide range of benefits, programs, and resources. Our comprehensive benefits are built on our ongoing efforts to meet the well-being needs of our employees.

Guiding principles of LPL’s benefits

- Support the needs of our employees and their families by offering meaningful and personalized benefits and well-being options
- Drive accountability through continuous education to help with benefit decision-making
- Evaluate plan changes through the lens of the employee and their family

- Align medical premiums to the employee pay range so more highly compensated employees pay more of the medical premium than lower-compensated employees

Our employee benefits and self-funded health plan are regularly reviewed, focusing on plan utilization, high-cost claimants, preventive care, and quality care markers. We also conduct biannual Total Rewards surveys, seeking employee input to shape our benefits and offerings.

Virtual diabetes clinic transforms employee wellness at LPL

We continue to prioritize well-being through personalized benefits for our employees. In June 2023, we launched a virtual clinic to reverse type 2 diabetes.

In just six months, actively engaged employees have already achieved remarkable health milestones, from lowering A1C levels to shedding weight and gaining newfound vitality.

Employee health and safety

Our commitment to promoting safety is detailed in our Safety Policy, as well as comprehensive policies, procedures, and educational training programs. Employees and contractors are encouraged to notify and report to their immediate supervisor, Human Resources, or the Corporate Security department of any unsafe working conditions, accidents, or injuries, regardless of their severity.

Our benefits and resources to support a **healthy workforce**

Time away from work

- Unlimited paid time off for exempt employees
- Up to five days of bereavement time off per year for all employees
- Six weeks of paid parental leave
- Time off for employees to vote
- 16 hours of paid time to volunteer

Planning for the road ahead

- Regular employees can make pretax and traditional after-tax contributions through their 401(k) and/or Roth plans
- Employee match contributions available to all regular employees, matching 75% on the first 8% of an employee’s designated deferral
- Employee stock purchase plan available to eligible employees to purchase LPL stock at a discount

Caring for others

- Child and elder care referrals
- Working Parents ERG provides resources and engagement experiences



- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- **People and Culture**
- Societal Impact
- Environmental Stewardship
- Appendix

DIVERSITY, EQUITY AND INCLUSION

As part of our dedication to building a culture of inclusivity, we aim to create an environment where every employee’s and advisor’s unique contributions are celebrated. In 2022, we refreshed our DEI operational framework and leveraged it to drive progress toward our DEI goals in 2023.

Employee DEI training and development

Beyond our required trainings, we are diligent about providing our employees with career progression and mentorship opportunities. In 2023, we continued a range of programs and partnerships aimed at upskilling and supporting our diverse talent:

- Continued our partnership with the **McKinsey Connected Leaders Academy**, enrolling more than 100 top-talent employees who identify as Black, Asian, or Hispanic/Latinx across two programs
- Sponsored 91 employees to attend the annual **Simmons Leadership Conference**, including 10 ERG leaders
- Enrolled 98 employees in the **Emerging Leaders Program**, which serves diverse top talent to further enhance their leadership capabilities
- Partnered with **Linkage’s Women in Leadership Institute** to host 11 LPL VPs and SVPs at the conference aimed at building business acumen and leadership skills
- Brought 70+ Senior Vice President and Vice President Women in Leadership alumnae to network, collaborate, and learn at the **Women Business Leaders Program**

Attracting and retaining diverse talent

We have a dedicated team to help identify and engage new talent, allowing us to formalize diverse sourcing, slating, and interview panels to progress our firm-wide goals. For the past three years, the attraction of diverse talent into our collegiate programming has been over 65%. Our team engaged with diverse talent in a range of meaningful ways:

- Hosted 100+ virtual and in-person career events on college campuses with community groups and thousands of potential candidates
- Grew our early-in-career program in partnership with the Young Professionals ERG to pair a student intern with an LPL mentor
- Hosted career fairs with historically Black colleges and universities (HBCUs) and helped create a 2023 class of interns with significantly improved representation by people identifying as a woman and/or as People of Color
- Deployed sourcing technology and continued dedication to university recruitment to identify a diverse talent pipeline

Rising in the ranks as a woman in fintech — LPL executives share their experiences

We developed an interactive event with three women LPL executives who shared their career journey with over 300 participants. Within 60 days of the event, our team had 12 new women hires who were introduced to career opportunities at LPL through the event.

Employee DEI goals and progress

By 2026, we aim to:
Increase our AVP+ women representation at LPL by

3%

Increase our AVP+ People of Color representation at LPL by

2%



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

➤ People and Culture

Societal Impact

Environmental
Stewardship

Appendix

LPL Financial
Sustainability
Report 2023

Fostering a culture of inclusivity through Employee Resource Groups (ERGs)

Our ERGs, representing 2,360 LPL employees, spotlight the unique talents and perspectives of our employees across all demographics, while focusing on a working theme of intersectionality to create inclusive spaces for connection and professional development. Our ERG Fair attracted 415 employees interested in joining one of our 10 ERGs:¹²



Asian



Pride Alliance (LGBTQ+)



Women



Black Professionals



Veterans



Working Parents



Hispanic/Latinx (HOLA)



WAVE (Workers with
Accumulated and
Valued Experience)



Young Professionals



People with Disabilities

Our ERGs and our Culture and Inclusion team engage our employees year round

Our ERGs and our Culture and Inclusion team held a range of events to celebrate our diverse culture and promote professional development for our employees:

- The Black Professional ERG hosted **“See It Be It,”** featuring a panel of Black leaders and advisors and offering professional headshots.
- The Asian ERG hosted several events, including **healthy eating through Japanese cuisine** and a virtual field trip to Asia.
- In the spirit of intersectionality, the Black Professional and Pride Alliance ERGs partnered on an event, **“Black Queer Icons.”**
- The People with Disabilities ERG hosted **“Community Conversations and Connections with Disabilities”** with a guest speaker, a professional skater who has Tourette syndrome.
- The Culture and Inclusion team curated a month of engagements as part of the **“Ally Is a Verb”** campaign.
- The Women’s ERG hosted the **“IAmRemarkable”** workshop aimed to improve self-promotion skills and self-confidence skills.
- The HOLA ERG hosted a **fireside chat** with a Hispanic LPL advisor and TEDx speaker.
- The Culture and Inclusion team celebrated Native American Heritage Month and shared an **interview with a Native American employee** who was raised on a reservation.



SPOTLIGHT

Highlighting the intersection between sustainability and diversity

In October, the Culture and Inclusion team launched an inaugural Global Diversity Awareness Month, focused on sustainability and diversity. The event featured an in-person and virtual panel discussion with LPL’s Legal and Sustainability teams, followed by a sponsored appreciation event for ERG members.

We value employee feedback and closely monitor the effectiveness of our DEI efforts through a range of systems and processes, including DEI dashboards and monthly talent analytics data assessments. To measure improvements across our various employee populations, we generate biannual engagement surveys, track feedback from our ERGs, and analyze turnover rates.

12. ERGs include, but are not limited to, groups open to all employees focusing on the experience of individuals who identify as African-American, Asian-American and Pacific Islander, Hispanic, LGBTQ, Veterans, Women, People with Disabilities, and Working Parents.



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

➤ People and Culture

Societal Impact

Environmental
Stewardship

Appendix

LPL Financial
Sustainability
Report 2023

EMPLOYEE TRAINING AND PROFESSIONAL DEVELOPMENT

We foster the continued growth and development of our employees by offering an extensive range of training programs designed to empower individuals with the skills they need to succeed. The programs available to our employees center on three themes:

1. Experience: On-the-job learning
2. Exposure: Learning through others
3. Education: Format training

How we set up our employees for success:



Career growth portal

Resources to help employees at any stage of their career, including tools for skills, performance assessments, roadmaps, and career advancement



Certification prep courses

A preparation series for the Securities Industry Essentials and Series exams with two hours of instructor-led training per week



Talent review

Annual process to assess LPL talent and identify high-potential leaders and succession plans for senior leaders to guide employees in their progression



LPL U Corporate University

Learning portal providing courses led by instructors in physical or virtual classrooms to build skills, including coaching, managing people, data-driven decision making, and project management



Tuition assistance

Program available for eligible employees to continue their education through university courses and certification



Skills badging

Micro-credentials that provide learners with an opportunity to share their knowledge and accomplishments with others

In 2023, our employees completed 264,863 training hours

We gauge training effectiveness by using surveys, post-engagement performance metrics, assessments, and observations to evaluate outcomes of our programs. In 2023, our employee training satisfaction rate was 87%.

■ Total employee training hours

■ Total employee mandatory business ethics and compliance training hours

2023



2022



2021





- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- People and Culture
- Societal Impact
- Environmental Stewardship
- Appendix

ADVISOR TRAINING AND PROFESSIONAL DEVELOPMENT

We aim to tailor our engagement and resources to meet the unique needs of our advisors. To accomplish this, we provide an array of training opportunities — from technology and financial skill-building programs to ethical and legal compliance certifications — to help them reach their business milestones, including:



Virtual Technology & Resources Forum

Training event to provide hands-on technology training, breakout sessions, and networking opportunities to enhance proficiency in LPL's investment tools



LPL Advisor University

One-stop-shop digital resource center offering webinars, workshops, and recordings of best practices and materials



ClientWorks Fundamentals

Interactive webinars introducing new financial professionals to LPL's tools for establishing their LPL Financial practice

We monitor the effectiveness of our advisor training and development programs through a variety of platforms, including Advisor Solutions teams, periodic surveys, new advisor calls, annual compliance questionnaires, and a tool, the Net Promoter System, that enables us to collect advisor input three times a year. In 2023, our overall advisor learner satisfaction score was 84%.





- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- **People and Culture**
- Societal Impact
- Environmental Stewardship
- Appendix

ADVISOR ENGAGEMENT AND DEI

We continuously strive to create a community of financial advisors that is as diverse as the communities they work in. To expand the reach of LPL’s advisor engagement and development programs, we employ the following three strategies:

1. **Attract:** Recruit more individuals from traditionally underrepresented communities into careers in financial services
2. **Grow:** Support the success of underrepresented populations through intentional exposure and access to LPL services and resources
3. **Include:** Increase engagement and productivity through the creation of a culture of inclusion

We offer a range of training programs, conferences, and community forums for us to actively engage with our advisors and foster a diverse and inclusive culture:

- **Diverse advisor recruitment:** Boosted engagement with women and People of Color financial professionals, offering increased support and incentives for junior advisors

- **Advisor Communities:** Established communities (women, Black, Hispanic and Latinx, Asian, and Pride Alliance) for networking, featuring select advisors in DEI events and private LinkedIn groups
- **Focus conference:** Flagship advisor conference that features a segment about LPL advisor inclusion and live breakout sessions on closing the wealth gap, strategic approaches to attract and retain diverse end-investors, Focus on Women panel, and more
- **Association of African American Financial Advisors V.I.S.I.O.N. conferences:** LPL-hosted breakout sessions focused on financial planning and growth strategies
- **Women advisor initiatives:** Women’s mentorship program as part of our Achieve Rising Stars conference focused on the development of the next generation of successful women advisors

LPL Advisor Inclusion Council (AIC)

The Advisor Inclusion Council is a diverse group of representatives from advisor firms and institutions who partner with home office leaders to advance LPL’s vision to be among the most inclusive firms in the industry. Council members serve a default three-year term, during which they partner with LPL leaders on the firm’s diversity and inclusion strategic roadmap. The council creates an extended advocate community that helps support LPL’s strategy of *attract, grow, and include*.

We are proactive in seeking out feedback from advisors by measuring success through our annual recruitment, retention, and growth metrics for underrepresented groups. Our Advisor Event Surveys, a valuable tool for us to assess the advisor experience, resulted in an 8.74 out of 10 overall event Experience Satisfaction Score, marking an increase from 2022.

SPOTLIGHT

Supporting our advisors and expanding our commitment to diverse business ownership in 2023

Granted awards

- Delivered LPL Financial’s “Rising Star” award to an achieving female financial advisor

Diversity and inclusion

- Partnered with the National LGBT Chamber of Commerce to advance LGBTQ+ business ownership
- Held in-person community meetups for our Asian, Black, Pride Alliance, and Hispanic/Latinx advisor communities at our annual Focus conference
- Hosted regional in-person meetings for our Black Advisor Community and virtual meetings for our Pride Advisor Community
- Launched a pilot program with Voices, a platform to connect underrepresented advisors with journalists for media opportunities

Community partnerships

- Collaborated with SCORE Foundation to conduct a webinar — with 1300 participants — to help underserved small-business owners and entrepreneurs build operational efficiency into their business plans



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

➤ **Societal Impact**

Environmental
Stewardship

Appendix

SOCIETAL IMPACT

LPL Financial
Sustainability
Report 2023



- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- People and Culture
- > Societal Impact**
- Environmental Stewardship
- Appendix

We strive to support a sustainable, diverse, and inclusive financial system for our employees, our advisors, and the communities in which we live and work. Whether through volunteering, corporate giving, financial literacy programs, or other contributions, we demonstrate care for our financial professionals and our communities through our initiatives.

2023 highlights



Sustainable investing

Increased assets managed by advisors by 5% with \$12.4 billion cumulatively invested in sustainable investing mandates



Financial inclusion

Launched a pro bono program offering advisors access to free, interactive, experiential lessons they can teach to high school students, as well as children and grandchildren of clients



Foundation and community impact

- Gifted \$2.5 million total from the LPL Foundation
- Logged 15,000+ employee volunteer hours — marking a 23% increase from 2022

More information on our executive oversight and management structure for societal impact is outlined in [Appendix I: Governance](#). Core metrics related to our societal impact can be found in [Appendix II: ESG Consolidated Data Sheet](#).

Societal impact governance

Chief Human Capital Officer, Chief Investment Officer, Management Committee — including reports to the LPL Board of Directors and appropriate committees as needed

Objective: Contribute to a sustainable, diverse, and inclusive financial system

Our work contributes to these SDGs:





- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- People and Culture
- **Societal Impact**
- Environmental Stewardship
- Appendix

SUSTAINABLE INVESTING

Our end-investors want to understand how and where their money is invested. They recognize that it is possible to build wealth responsibly without sacrificing investment principles. While we don't directly offer proprietary products of our own, we equip our clients with information and resources on the products available on our platform.

Sustainable research, products, and solutions

We provide access to a wide array of sustainable investment options, including centrally managed portfolios, mutual funds, separately managed accounts, and exchange-traded products. LPL Research supplies our advisors with insights into sustainable investing funds through the critical lens of our sector knowledge needed to navigate complex methodologies and vast data sets. LPL Research identifies the universe of managed products with sustainable investing mandates by seeking mutual funds, ETFs, and separately managed accounts that are intentional in their ESG incorporation approach. Commitment to ESG incorporation must be documented, through the principal investment strategies section of their prospectus or other marketing literature. Through our Recommended List, we select mutual funds and separately managed accounts based on their track record of delivering competitive financial returns as well as their integration of ESG considerations into investment decision making. For the Recommended List, this process involves rigorous validation using the following mechanisms:

- **Validate ESG incorporation:** Review literature and conduct meetings to confirm incorporation of ESG analysis and decision making

- **Demonstrable return:** Conduct traditional investment manager diligence process to assess the manager's ability to add value over rolling three-year periods
- **ESG appraisal process:** Questionnaire issued to managers to obtain information around the investment manager's policies, investment analyses, and proxy voting approach

Once appraised, those strategies with the highest assessments are added to the Recommended List, which is the universe of managed products eligible for inclusion in the LPL Research Sustainable Investment Models.

Sustainable investing portfolios and tracking progress

We customize our resources by monitoring the adoption of sustainable investment products and tracking the percentage of advisors incorporating sustainable investments in the overall client portfolios year over year. In 2023, there was a 6% increase in the number of advisors investing in sustainable products for clients. Notably, 64% of our advisors had at least one investment with a sustainable investing mandate in their client portfolios.

Sustainable investing advisor profiles

Sustainable investing profile	Sustainable investing holdings as a % of total book	Number of advisors that leveraged sustainable investments as of 12/31/23	Percent of advisors
None	0%	7,914	36%
Dabbler	0-<1%	10,365	48%
Adopter	1-<5%	2,761	13%
Heavy adopter	5-<10%	412	2%
Focused	>10%	232	1%

An Environmental, Social, and Governance (ESG) fund's policy could cause it to perform differently compared to funds that do not have such a policy. The application of social and environmental standards may affect a fund's exposure to certain issuers, industries, sectors, and factors that may impact relative financial performance — positively or negatively — depending on whether such investments are in or out of favor. See [Disclaimer](#) for additional information.



- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- People and Culture
- > Societal Impact**
- Environmental Stewardship
- Appendix

FINANCIAL INCLUSION

We see an opportunity to develop initiatives aimed at enhancing financial education and empowering individuals to make informed decisions — all while creating a more financially resilient future for our employees and members of the communities in which we live and work. We do this in three ways:

Our Employees

LPL offers all employees access to “My Financial Path” by Empower Retirement. This is designed to help employees prepare for the future by providing a complete view of their financial picture, with information about spending, saving, investing, and protecting their money. Empower Retirement offers several webinars throughout the year. In addition, our Learning Center, has a library of financial literacy tools delivered in multiple learning formats.

The LPL Financial Foundation

The mission of the LPL Financial Foundation is to advance the economic well-being of underserved populations where we live and work, with an

emphasis on encouraging professional readiness and placement of career-ready talent for the financial services industry and building the financial capabilities of small-business owners. [See how we turn that mission into action.](#)

LPL Advisors and Their Clients

In 2023, LPL began a partnership with the World of Business Reading Group (WBRG), a financial literacy program inspired by the writings and speeches of Warren Buffet and developed by a team of Harvard Business School alumni. The six-week program offers advisors a unique way to strengthen relationships in the communities where they live and work by providing them with the curriculum to teach free, interactive, experiential lessons to high school students, as well as children and grandchildren of clients. In addition, through LPL’s financial support, in 2024 the pro-bono team of Harvard Business School alumni at WBRG will be able to fund and deliver the program to high schools with a high percentage of low-income students.

SERVICE AFFORDABILITY

To address the need for equitable access to investing and financial planning, we have heightened our emphasis on enhancing service affordability and financial literacy. We consistently reassess the pricing of our products and services, as well as our investment minimums, making necessary adjustments to broaden accessibility for both individuals and small businesses through four mechanisms:

<p>LPL’s Partial Book Sales</p> <p>Enables advisors to transfer select accounts to a digital platform and seamlessly provides personalized service catered to the appropriate stage of the client’s investing needs</p>	<p>Guided Wealth Portfolios</p> <p>Provides accessible financial starting points for lower-income individuals through an online investment advice platform offering services with a \$5,000 annual minimum</p>
<p>LPL Small Market Solution</p> <p>Offers an affordable way for small businesses to provide retirement plan services through ERISA Section 3(38) fiduciary services and monitoring provided by our advisors</p>	<p>Optimum Market Portfolios</p> <p>Opens access for a wider investor base, offering professional money management and investment research through a \$1,000 investment minimum and waived confirmation fees</p>



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

➤ Societal Impact

Environmental
Stewardship

Appendix

LPL Financial
Sustainability
Report 2023

LPL FINANCIAL FOUNDATION AND COMMUNITY IMPACT

Philanthropic efforts

The LPL Financial Foundation is dedicated to advancing the opportunity for economic and social well-being to underserved populations and bolstering financial capabilities of small-business owners. The Foundation provides charitable grants to registered 501(c)(3) organizations and public schools that align with at least one of our three Foundation strategic pillars:

1. Building the capacity of underserved small businesses
2. Increasing diversity in the career-ready financial services talent pipeline
3. Acts of Kindness grants — used to support ERG volunteerism and respond to critical needs in our communities

Within the Acts of Kindness pillar, the matching gifts program enables employees and advisors to have their personal charitable contributions doubled (up to \$500 per year) by the Foundation. Over 1,000 community organizations addressing global and local needs such as housing, education, health, and food insecurity have benefited from the program this year.

In response to the wildfires that ravaged Maui, the Foundation made a contribution to Hawai'i Community Foundation's Maui Strong Fund to aid with the area's short-term needs and long-term recovery efforts.

In 2023, we further refined our strategic focus areas to maximize community impact and continued driving progress toward community vitality:

Financial Services Industry Talent Pipeline

- **The American College of Financial Services:** Granted \$500,000 to support the LPL Financial Foundation Equity/HBCU Scholars program
- **Girls Who Invest:** Granted \$350,000 to contribute to needs-based assistance for underserved program participants and capacity-building to create new avenues for wealth and asset management careers
- **INROADS:** Onboarded as a new strategic partner and granted \$150,000 in support of its college internship program and Financial Services Institute
- **Johnson C. Smith University:** Continued partnership in year two of a \$250,000 grant with to this Charlotte-area HBCU; provided seed money for the school to start the Finance Academy, designed to expose students to careers in the financial services field

Small Business

- **Local Initiatives Support Corporation:** Granted \$445,500 to continue supporting hundreds of underserved small-business owners
- **SCORE Foundation:** Granted \$100,000 to support small-business owners' preparation for a pitch competition run by the organization

Our community impact by the numbers

\$2,539,000+

In total foundation gifts

\$134,000+

In Acts of Kindness grants

\$676,000+

In total matching gifts

\$1,545,000+

In strategic grants

\$117,000 +

In sunset partner grants

15,000+

Employee volunteer hours logged



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

➤ **Societal Impact**

Environmental
Stewardship

Appendix

LPL Financial
Sustainability
Report 2023

Employee volunteerism

In partnership with our advisors, employees, and communities, we work toward the betterment of our communities through volunteer opportunities and financial support. Translating our values to action, we host two Seasons of Service – May Community Days and GIVEMBER – and various in-person, virtual, and hybrid events throughout the year. During these times, our employees are invited to volunteer, donate, and celebrate the impact they make in their communities.

- **May Community Days:** Our month-long spring service event that included 400+ volunteers and 1,800+ volunteer hours on projects such as food bank sorting, blood donations, and partnering with Story Pirates.
- **GIVEMBER:** Our annual holiday service campaign, where over 240 employees packaged more than 29,000 meals for Rise Against Hunger, donated 365 pounds of pet supplies and 950 pounds of food, and contributed over 1,100 hours of volunteer time.
- **Acts of Kindness:** In support of the ERGs' commitment to caring for their communities, members able to apply for a grant of \$250–\$1,500 for an organization where they will be volunteering; six ERGs took advantage of the program and contributed \$11,500 to local nonprofit organizations.

- **Martin Luther King, Jr. Day of Service:** In collaboration with the Black Professionals ERG, employees were invited to attend a panel discussion featuring Black social impact leaders, with 183 employees making a pledge to use all 16 Volunteer Time Off hours within the course of the year.
- **Family Fest Stories of Belonging:** To showcase our commitment to inclusion, members of ERGs and American Sign Language interpreters hosted story time sessions to read books with a message of belonging to employees' children and collected over 300 books to donate to local children's literacy programs.

We enable our employees to contribute to communities by providing volunteer programming throughout the year, recommendations on community engagement, and resources to set up their own events. We provide employees with 16 hours of paid time off annually to devote time to a community service project or volunteer at a nonprofit of their choosing. During 2023, employees dedicated over 15,000 volunteer hours in service to their communities.



SPOTLIGHT

LPL is awarded ThinkAdvisor magazine's 2023 LUMINARIES Community Impact Award

Individuals and firms that win the LUMINARIES award are advancing the interests of clients and the financial services industry while having a positive societal impact. LPL was a Community Impact Award winner in the Broker-Dealer firm category.

Matt Morningstar attended the event and accepted the award on behalf of the LPL Financial Foundation.

Enabling annual opportunities to give back in 2023



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

➤ Environmental
Stewardship

Appendix

LPL Financial
Sustainability
Report 2023

ENVIRONMENTAL STEWARDSHIP



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

› **Environmental
Stewardship**

Appendix

LPL Financial
Sustainability
Report 2023

As a financial services organization, the environmental footprint of our business is primarily associated with business travel and our operations (corporate offices and data centers). We reinforce our commitment to environmental stewardship, governance, performance tracking, risk assessment, and climate impact reduction by aligning with the TCFD recommendations and enhancing the measurement and disclosure of our environmental data for continuous improvement.

2023 highlights



Climate action

As part of our strategy to source renewable energy, LPL purchased and cancelled Green-E Certified Renewable Energy Certificates (RECs) covering our Scope 2 Market-based energy supply for all of our corporate office and employee advisor sites.



Operational sustainability

Reduced single-use plastics in our corporate offices by 75%.

More information on our executive oversight and management structure for environmental stewardship is outlined in [Appendix I: Governance](#). Core metrics related to our environmental stewardship can be found in [Appendix II: ESG Consolidated Data Sheet](#).

Environmental stewardship governance

Chief Executive Officer, Chief Human Capital Officer, Chief Financial Officer, Management Committee – including reports to the LPL Board of Directors and appropriate committees as needed

Objective: Reduce our environmental footprint and enhance sustainability across all operations, with a focus on minimizing carbon emissions and optimizing resource use



- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- People and Culture
- Societal Impact
- Environmental Stewardship
- Appendix

CLIMATE ACTION

Since the publication of our [Climate Report](#), we've actively reinforced our commitment to sustainable practices by implementing climate risk management initiatives. We are dedicated to reducing our environmental footprint and greenhouse gas (GHG) emissions, acknowledging the risks and opportunities associated with climate change. In 2024, we began an assessment to calculate all relevant Scope 3 emissions and Scope 2 Market-based emissions inventory, evaluated Scope 1 and Scope 2 GHG emissions targets, and are developing plans to report to CDP on climate change in 2024.

Energy efficiency and emission reduction

Our target is to increase our share of energy consumption from renewable energy sources to 75% by 2030. In 2023 we initiated a long-term strategy focused on engaging

with our IT operations and data centers to transition to renewable sources including purchasing Renewable Energy Certificates where we do not have operational control. Going beyond our operations, in 2024 we will be engaging with our suppliers to understand their climate data and targets to improve transparency and reporting across our value chain.

Facility certification

In addition to three of our sites being LEED certified, in 2023 LPL earned the WELL Health-Safety Rating for our San Diego, Fort Mill, and Austin home office locations. This third-party rating recognizes large and small businesses for efforts to prioritize the workplace health and safety of their staff, visitors, and stakeholders.

GHG emissions and energy consumption (mtCO₂e)

	2022	2023
Scope 1 emissions	1,510	893
Scope 2 emissions (Location-based)	6,027	4,110
Scope 2 emissions (Market-based)¹³		0
Scope 3 emissions (Location-based)¹⁴	1,899	6,165
Scope 3 emissions (Market-based)		5,624
Total Energy Use (MWh)	19,574	30,112
Total Electricity (100% Renewable)		14,657
Electricity Use Intensity (MWh/sq.ft.) (Excluding Data Centers)		0.0116

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

14. 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.



SPOTLIGHT

We are actively increasing our energy efficiency efforts through the following:

Right-sizing our footprint

Initiated measures to right-size our office footprint to continue to make progress toward operational energy efficiency.

Embracing renewable energy

Our San Diego site uses hydrogen fuel cells for electricity generation, while our Austin site relies on solar panels for 20–30% of its total electric supply.

Empowering clean commutes

In our endeavor to reduce emissions, we installed electric vehicle chargers at no cost to employees, encouraging the adoption of cleaner transportation alternatives.



- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- People and Culture
- Societal Impact
- **Environmental Stewardship**
- Appendix

OPERATIONAL SUSTAINABILITY

In 2023, we remained focused on our goal of reducing the number of paper statements mailed by 40% or greater by 2026, from a baseline of an average of 2.4 million per month 2022. By fourth quarter 2023, we achieved a 46% reduction. In 2024, we established a team focused on expanding our paperless targets beyond statements and will report on those goals and metrics in the future.

Managing water resources

In our commitment to environmental resilience, we actively manage water consumption in our offices.

Fort Mill

- Recycle water from roof drains and air conditioning condensation back into the local pond, subsequently using it for our Weir Wall water feature, sprinkler heads, and drip irrigation.
- Incorporating reclaimed water in landscaping, building air conditioning systems, and restroom toilets.

San Diego

- Incorporating reclaimed water in landscaping, building air conditioning systems, and restroom toilets.

Our operational sustainability goals

Remove/replace all nonessential single-use plastics from our corporate offices by 2025

Year-end progress:

- Engaged with new vendors to replace single-use plastics with compostable options across all our corporate locations
- Reduced our consumption of single-use plastics in our corporate offices by 75%

Increase share of energy consumption from renewable energy sources to 75% by 2030

Year-end progress:

- To further this goal we purchased Renewable Energy Certificates for our Market-based energy consumption related to our corporate offices



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ **Appendix**

APPENDIX

I: Governance 39

II: ESG Consolidated Data Sheet 43

III: GRI Content Index 52

SASB Content Index 62



I: GOVERNANCE

This table is intended to complement information in the body of the report, with specific reference to the highest governance body and senior executives, management of the organization’s impact through key business functions and activities, and relevant policies and trainings within each sustainability pillar.

LPL Sustainability Pillar	Management Approach
RESPONSIBLE BUSINESS	<p>Governance body Chief Executive Officer, Chief Legal Officer, Chief Financial Officer, Chief Privacy Officer, Chief Compliance Officer, Chief Risk Officer, Management Committee — including reports to the LPL Board of Directors and appropriate committees as needed.</p> <hr/> <p>Key activities and programs</p> <ul style="list-style-type: none"> ▪ All allegations of misconduct undergo investigation, with the Audit and Risk Committee overseeing certain ethical conduct decisions and designating an Integrity Ombudsperson to be responsible for managing the Integrity Policy and Procedures and investigating allegations of wrongdoing. ▪ The ethics and compliance programs, overseen by the Chief Compliance Officer, include management and evaluation of responsible sourcing, product risk management, and anti-corruption and anti-bribery initiatives. ▪ The Risk Oversight Committee, composed of senior executives, oversees the firm’s risk profile and reports to the board’s Audit and Risk Committee. ▪ The ERM department administers the ERM program, collaborating with business units to gather metrics related to advisor conduct and response to customer complaints for the quarterly Enterprise Risk Profile report presented to senior management and the board committees. ▪ Guidelines to facilitate reporting concerns regarding financial statement disclosures, accounting, internal accounting controls, auditing matters, compliance with applicable laws, rules and regulations, or violations of the LPL Code of Conduct are detailed in the Integrity Hotline Policy and Procedures. <ul style="list-style-type: none"> ▪ The Integrity Ombudsman is responsible for investigating allegations made through the Whistleblower and Integrity Hotline, assessing the seriousness of allegations and reporting material findings to the Audit and Risk Committee. ▪ The board is notified of material allegations and oversees the organization’s ethical standards. ▪ The Product Risk Management department manages risk mitigation and conflict resolution to address product-related risks. ▪ LPL follows the Security Incident Response Plan playbooks and conducts investigations of incident reports to analyze root causes, review and implement corrective actions as necessary, and present incident metrics at governance committee meetings for next-step consideration. LPL’s Privacy team includes individuals dedicated to the review of data security events for potential breach notification obligations. Data Security events can be reported 24 hours a day, seven days a week.

- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- People and Culture
- Societal Impact
- Environmental Stewardship

➤ **Appendix**



I: GOVERNANCE *(continued)*

Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

LPL Sustainability Pillar	Management Approach
RESPONSIBLE BUSINESS <i>(continued)</i>	<p>Policies</p> <ul style="list-style-type: none"> ▪ Product Risk Governance Policy (updated 2024) ▪ Anti-Bribery/Anti-Corruption (ABAC) and Anti-Fraud policies ▪ Code of Conduct (reviewed annually) ▪ Diversity, Equity and Inclusion in Financial Services Policy ▪ Fair Information Practices models ▪ FINRA Rule 4530/Whistleblower and Integrity Hotline ▪ Independent Contractor Status Policy ▪ Integrity Policy and Procedures ▪ Harmonized Best Interest Standard Policy <ul style="list-style-type: none"> ▪ HIPAA Privacy and Security ▪ Home Office Security and Privacy ▪ Human Rights Statement of Principles (updated in 2023) ▪ Modernized Regulation Policy ▪ Privacy Policy (updated annually) ▪ Consumer Privacy Notice (updated annually) ▪ Retirement Security Policy ▪ Workplace Violence Prevention and Response ▪ Life and Fire Safety Policy ▪ Vendor Code of Conduct
PEOPLE AND CULTURE	<p>Governance body</p> <p>Chief Executive Officer, Chief Human Capital Officer, Chief Diversity Officer, Management Committee, Inclusion Council – including reports to the LPL Board of Directors and its Compensation and Human Resources Committee as needed.</p> <hr/> <p>Key activities and programs</p> <ul style="list-style-type: none"> ▪ Management Committee receives periodic or as-needed updates for individual employee benefits initiatives and quarterly updates on DEI and talent. ▪ The Leadership Inclusion Council comprised of executive leaders from each business unit, is engaged as a critical thinking group on DEI topics. ▪ Operational management of employee benefits is executed by the Total Rewards Team in partnership with the Corporate Communication, Finance, Payroll, Employee Relations, and HR Information System and HR Solutions Center teams, as well as Fitness Center staff and Wellness Champion volunteers. ▪ The Corporate Security Department is responsible for compliance of physical security with government regulations, safety and security principles, and all applicable state laws. <p>Employees</p> <ul style="list-style-type: none"> ▪ All employees are required to complete Preventing Workplace Harassment training inclusive of a section on DEI. ▪ Employee mentorship, training, and diverse applicant sourcing technologies are used to engage and develop talent. ▪ Employees are required to regularly enroll in training programs to build knowledge on topics essential to LPL, including data privacy and security, ethical behavior, workplace safety, workplace harassment, anti-money laundering, home office security and privacy, and workplace violence, among others. <p>Advisors</p> <ul style="list-style-type: none"> ▪ Advisors are required to complete regulatory training covering security and privacy, annual compliance meeting, anti-money laundering, financial crimes and fraud, and Regulation Best Interest training.



I: GOVERNANCE *(continued)*

- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- People and Culture
- Societal Impact
- Environmental Stewardship
- **Appendix**

LPL Sustainability Pillar	Management Approach
PEOPLE AND CULTURE <i>(continued)</i>	Policies <ul style="list-style-type: none"> ▪ Human Rights Statement of Principles (updated 2023) ▪ Diversity Policy ▪ Diversity, Equity and Inclusion in Financial Services Policy <ul style="list-style-type: none"> ▪ Home Office Security and Privacy ▪ Safety Policy
SOCIETAL IMPACT	<p>Governance body Chief Human Capital Officer, Chief Product Officer, Chief Investment Officer, Management Committee – including reports to the LPL Board of Directors and appropriate sub-committees as needed.</p> <hr/> <p>Key activities and programs</p> <p>Philanthropic giving</p> <ul style="list-style-type: none"> ▪ The LPL Financial Foundation is a separate legal entity, 501(c)(3) organization, governed by a board that acts independently of the company’s interests when governing and manages charitable giving and programming. The Foundation board meets quarterly for strategic planning meetings. ▪ The LPL Financial Foundation provides charitable grants aligned to at least one of the Foundation’s three strategic pillars. Grants to partners helping underserved small businesses owners and to partners helping to build a diverse talent pipeline are reviewed and approved by the Foundation board during Q2 and Q3, respectively. ▪ Acts of Kindness grants are reviewed and approved by Foundation staff or the Foundation board, depending on the funding amount, on a rolling basis. ▪ Members of the LPL Financial Foundation board have representation across business units, locations, levels, gender, race, ethnicity, and sexual orientation. <p>Sustainable investing (SI)</p> <ul style="list-style-type: none"> ▪ The SI models are managed by the SI Model Portfolio Committee, which fall under review of the Research Risk Management Committee, comprising LPL Compliance, Legal, Risk, and the LPL Enterprise Product Risk Committee. ▪ All senior leaders of LPL Research meet at least weekly to vote on asset allocation changes that may impact the SI models. ▪ SI funds are managed by the LPL Research Investment Manager Committee and meet weekly to vote on changes to the LPL Research Recommended List. The Recommended List is the source for all LPL Research models, where Model Wealth Portfolio (MWP) SI Mutual Fund Model and MWP SI Exchange Traded Fund (ETF) Model holdings must be sourced from the list. ▪ External managers undergo the Investment Manager Diligence Process and Investment Manager ESG Appraisal Process, in addition to completing an ESG Due Diligence Questionnaire.



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

I: GOVERNANCE *(continued)*

LPL Sustainability Pillar	Management Approach
SOCIETAL IMPACT <i>(continued)</i>	<p>Policies</p> <ul style="list-style-type: none"> ▪ LPL Research SI Policy: Includes all the investment objectives of the MWP Sustainable Investing Fund Model and MWP Sustainable Investing Exchange Trade Product Model, as well as SI funds recommended by LPL Research by extension. This policy does not include other investment mandates managed by LPL Research. ▪ LPL Research Model Guidelines
ENVIRONMENTAL STEWARDSHIP	<p>Governance body</p> <p>Chief Executive Officer, Chief Human Capital Officer, Chief Financial Officer, Management Committee — including reports to the LPL Board of Directors and appropriate committees as needed.</p> <hr/> <p>Key activities and programs</p> <p>Sustainability strategy, disclosure, and accountability are evaluated quarterly by the ESG Steering Committee, with long-term strategy assessed annually with board oversight.</p> <ul style="list-style-type: none"> ▪ Stakeholder engagement includes regular updates with the Nominating and Governance Committee on sustainability initiatives and the Audit and Risk Committee on climate-related matters. ▪ For more information regarding our assessment of climate-related risks and opportunities, please see our Climate Report. <hr/> <p>Policies</p> <ul style="list-style-type: none"> ▪ Environmental Policy (updated 2024)



II: ESG CONSOLIDATED DATA SHEET

Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

For ease of reference, consolidated data points for key topic areas are presented below.¹⁵

LPL'S BUSINESS	2022	2023	% change
<i>As of and for the years ended December 31, unless otherwise noted</i>			
Number of client accounts	7,900,000	8,300,000	5%
Net revenue	\$ 8,600,825	\$ 10,052,848	17%
Number of advisors	21,275	22,660	7%
RESPONSIBLE BUSINESS	2022	2023	% change
Business ethics and compliance			
Total employee mandatory business ethics and compliance training hours	35,580	32,450	-9%
% of employees and advisors participating in anti-money laundering and fraud training	100%	100%	-
Public policy and advocacy			
Total annual lobbying expenses	\$ 986,422	\$ 1,050,000	6%
PAC funds spent on political donations	\$ 630,000	\$ 452,500	-28%
Responsible sourcing ¹⁶			
Number of vendors that provide services	1,793	2,100	17%
% of vendors identified as diverse suppliers ¹⁷	9.4%	10.6%	13%
Number of vendors identified as diverse suppliers	169	222	31%
% of spend with diverse suppliers	6%	6%	-
Diverse supplier spend	\$ 63,643,603	\$ 73,830,000	16%
% of spend with certified diverse suppliers	4.0%	4.1%	3%
Estimated % of vendors identified as certified diverse suppliers	5%	6%	20%
Number of certified diverse suppliers	89	126	42%
Spend with certified diverse suppliers	\$ 46,950,000	\$ 49,500,000	5%

15. Some items that require historic data to calculate are not available and have thus been marked with a dash (-).

16. Supplier categories are not mutually exclusive and spend may have overlap if a supplier falls into two or more of the listed categories.

In 2023, we refined our reporting methodology and as a result, we are adjusting our 2022 supplier data.

17. There are 13 indicators that are factored into the "Diverse Supplier" calculation: Minority-Owned, Woman-Owned, Veteran-Owned, Labor Surplus Area, Disadvantaged Business Enterprise, Disabled Owned Business, Hub-Zone Certified, Historically Black College or University / Minority Institution, 8A, Small Disadvantaged Business, Alaskan Native Corporation, Certified Small Business, Airport Concession Disadvantage Business Enterprise.



II: ESG CONSOLIDATED DATA SHEET *(continued)*

Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

RESPONSIBLE BUSINESS	2022	2023	% change
Minority-owned suppliers ¹⁸	-	\$ 59,544,623	-
Woman-owned suppliers	-	\$ 51,317,250	-
Veteran-owned suppliers	-	\$ 774,712	-

18. Minority supplier spend includes spend with People of Color and LGBTQ+ suppliers.

LPL aligns with the eight principles outlined in the 1980 OECD Guidelines on the Protection of Privacy or equivalent Fair Information Practices (FIPs) models, such as the Generally Accepted Privacy Principles (GAPP).

PRINCIPLE	LPL PRACTICE	FIP	GAPP
Openness	Readily available privacy policies and procedures	✓	✓
	Periodic communication of privacy policies	✓	✓
	Regular attestation by internal personnel on understanding of privacy policies	✓	✓
	Annual policy reviews	✓	✓
Purpose and use	Documented purpose of data collection and use	✓	✓
	Positive consent prior to data collection	✓	✓
	Data collection and use is limited strictly to the purposes identified in the notice	✓	✓
	Data is retained only as long as necessary for the purposes identified in the notice or as required by law	✓	✓
Individual participation	Data subjects may opt out of data collection and use	✓	✓
	Data subjects may review and amend their data	✓	✓
	Data subjects may determine if LPL has their personal data	✓	✓
	Privacy choices are described to data subjects	✓	✓
Data security	Implementation of industry standard security measures and regular testing	✓	✓
Training	Annual privacy training	✓	✓
Accountability	Defined Chief Privacy Officer	✓	✓
	Privacy representation in governance committees	✓	✓



II: ESG CONSOLIDATED DATA SHEET *(continued)*

Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

PEOPLE AND CULTURE	2022	2023	% change
Total U.S. headcount ¹⁹	6,452	7,921	23%
% full-time employees	99.6%	99.5%	0%
% part-time employees	0.4%	0.5%	0%
Employee benefits			
% of employees participating in retirement plans	93%	91%	-2%
Average employee salary deferral rate ²⁰	8%	8%	0%
Exempt employee sick leave available for use annually (hours)	40	40	0%
Non-exempt employee sick leave available for use annually (hours)	40	40	0%
Employee health and safety			
Number of documented reports of occupational illness or injury <i>(note the addition of over 1,400 employees in 2023)</i>	3	10	233%
Diversity, equity and inclusion²¹			
Board of directors			
% of directors who are women	33%	30%	-9%
% of directors represented by People of Color	11%	20%	45%
% of directors who are women or People of Color	44%	50%	12%
Overall diversity figures			
% of employees who are women	49%	49%	0%
% of employees identifying as white women	23%	24%	1%
% of employees identifying as white men	29%	30%	1%
% under 30 years of age	18%	18%	0%
% 30–50 years of age	62%	62%	0%
% over 50 years of age	20%	20%	0%

19. This excludes LPL's employee advisors and those staff directly supporting them.

20. Employee deferral rate is equal to the percentage of income deferred to LPL retirement plans.

21. Racial diversity data is collected via voluntary self-disclosure with visual identification used when an employee declines to self-identify.



II: ESG CONSOLIDATED DATA SHEET *(continued)*

Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

RACE/ETHNICITY: SELF-IDENTIFIED							
Job categories ²²		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	0	77	211	5	34	327
	Male	1	96	185	14	41	337
Native Hawaiian or other Pacific Islander	Female	0	3	8	0	2	13
	Male	0	1	7	2	2	12
Not specified	Female	0	2	32	4	2	40
	Male	0	9	15	11	4	39
Two or more races (not Hispanic or Latinx)	Female	0	40	83	4	22	149
	Male	0	44	77	7	19	147
White (not Hispanic or Latinx)	Female	10	734	980	22	194	1,940
	Male	27	1,130	983	105	139	2,384
Total	Female	12	1,160	2,221	42	462	3,897
	Male	31	1,674	1,865	152	302	4,024
	Total	43	2,834	4,086	194	764	7,921

22. This chart reflects the composition of our workforce in 2023 in categories prescribed by the U.S. Equal Employment Opportunity Commission for purposes of the federal EEO-1 report.



II: ESG CONSOLIDATED DATA SHEET *(continued)*

Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

PEOPLE AND CULTURE	2022	2023	% change
Initiatives			
Number of Employee Resource Groups (ERGs)	10	10	-
Number of employees in ERGs	1,677	2,360	41%
Engagement survey (LPL Listens) response rate	86%	86%	-
Favorable responses in 2023 Engagement Survey	78%	80%	2%
Retaining talent			
Voluntary attrition rate	15%	7%	-8%
Voluntary attrition rate for People of Color	6%	7%	1%
Voluntary attrition rate for women	7%	7%	-
Employee training and professional development			
Number of employee hours spent participating in LPL training programs	134,269	264,863 ²³	97%
Average hours of training per year per employee	21	33	61%
Employee training satisfaction rate	91%	87%	-4%
% of employees who received career and performance reviews	95%	83%	-12%
Advisor training and professional development			
Number of advisor hours spent participating in LPL training programs (mandatory business ethics and compliance training)	73,870	95,930	29%
Financial professional hours in training	133,058	132,546	-
Advisor training satisfaction rate	92%	84%	-8%

23. Increased total training hours are partially attributed to our 23% headcount increase and two new additional trainings in 2023.



II: ESG CONSOLIDATED DATA SHEET *(continued)*

Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

SOCIETAL IMPACT	2022	2023	% change
Sustainable investing			
Products			
Mutual Funds	196	201	3%
ETFs	93	105	13%
Separately Managed Accounts	28	29	4%
Alternatives	-	1	100%
Managed Models	4	4	-
Sustainable model wealth portfolios (AUM)			
MWP Sustainable Investing Mutual Fund Model	\$ 946,352,885	\$ 1,021,504,194	8%
MWP Sustainable Investing ETF Model	\$ 123,413,525	\$ 176,999,810	43%
MWP Dimension Sustainable	\$ 294,742,770	\$ 340,417,155	15%
MWP Calvert Responsible Allocation	\$ 142,394,571	\$ 187,372,900	32%
Sustainable model wealth portfolios (Account)			
MWP Sustainable Investing Mutual Fund Model	7,110	7,074	-1%
MWP Sustainable Investing ETF Model	1,088	1,573	45%
MWP Dimension Sustainable	2,246	2,308	3%
MWP Calvert Responsible Allocation	1,368	1,861	36%
End-Investor commitment			
Number of advisors who have invested (with their clients) in sustainable investments	13,027	13,770	6%
Number of clients with investment in sustainability-marked products	507,126	480,288	-5%
% of AUM in ESG funds	0.86%	0.91%	6%
Dollars invested in sustainable products	\$ 11,773,182,561	\$ 12,386,158,183	5%



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

II: ESG CONSOLIDATED DATA SHEET *(continued)*

SOCIETAL IMPACT	2022	2023	% change
Foundational and community impacts			
Corporate giving			
Amount contributed to nonprofit organizations from LPL Financial Foundation	\$ 2,615,000	\$ 2,539,576	-3%
Employee volunteerism			
Number of volunteer hours logged by employees	12,286	15,110	23%
% of employees who used Volunteer Time Off	18%	18%	-

In 2023, to further enhance our reporting of our environmental footprint, we provide a greater level of granularity across Scope 1, 2 and 3. In addition, we have expanded our Scope 3 reporting beyond business travel to include waste and data center colocation facilities (previously reported in Scope 2). These changes resulted in a reduction of our Scope 2 emissions reporting and an increase in our Scope 3 emissions reporting for 2023.

ENVIRONMENTAL STEWARDSHIP	2022	2023	% change
Climate action			
Greenhouse Gas (GHG) Emissions (metric tonnes CO₂e)			
Total Scope 1 emissions	1,510	893	-41%
Natural gas		880	-
LPL corporate offices		660	-
Employee advisor sites		220	-
Distillate oil (LPL corporate)		9	-
Mobile combustion		3	-
Total Scope 2 emissions (Location-Based)	6,027	4,110	-32%
LPL corporate offices		3,042	-
Employee advisor sites		1,069	-



II: ESG CONSOLIDATED DATA SHEET *(continued)*

Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

ENVIRONMENTAL STEWARDSHIP	2022	2023	% change
Total Scope 2 emissions (Market-Based)		0	-
Total Scope 3 emissions (Location-Based)	1,899	6,165	225%
Category 5, waste		58	
Category 6, business travel	1,899	2,525	33%
Air		2,117	-
Car		57	-
Rail		1	-
Hotel		350	-
Category 8, upstream leased assets (data center emissions)		3,583	-
Category 8, upstream leased assets (data center emissions) (Market-Based)		3,041	-
Total Scope 3 emissions (Market-based)		5,624	-
Energy			
Total Energy use (eMWh)	19,574	30,112	54%
Total electricity (100% renewable)		14,657	-
LPL corporate offices (RECs)		10,486	-
Employee advisor sites (RECs)		2,957	-
San Diego office onsite fuel cells		1,214	-
Total data center electricity		10,585	-
Grid electricity		8,732	-
Renewable electricity		1,853	-
Natural gas		4,835	-
Distillate oil		34	-
Electricity use intensity (MWh/Sq.ft.) (Excluding data centers)		0.0116	-
Natural gas intensity (eMWh/Sq.ft.)		0.0038	-



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

II: ESG CONSOLIDATED DATA SHEET *(continued)*

ENVIRONMENTAL STEWARDSHIP	2022	2023	% change
Operational sustainability			
Water (gallons)			
Amount of water consumed (potable)	1,241,201	3,872,024	212%
Amount of water withdrawn (non-potable)	2,676,966	2,040,888	-24%
Amount of wastewater discharged	1,039,115	1,031,862	-1%
Waste (tons)			
Total waste generated	68	102	51%
Hazardous waste	0	0	-
Amount of waste recycled, reused, or composted	40	48	21%



- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- People and Culture
- Societal Impact
- Environmental Stewardship
- Appendix

III: GRI CONTENT INDEX

Global Reporting Initiative and Sustainable Accounting Standards Board Disclosures

This report covers calendar year 2023 and references the revised 2021 GRI Sustainability Reporting Standards. While most information is found in this report, other primary sources include our 2023 Annual Report, 2023 Form 10-K, and 2023 Proxy Statement.

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
The organization and its reporting practices		
2-1	Organizational details	LPL Financial Holdings Inc. 4707 Executive Drive, San Diego, CA 92121-3091 See LPL Financial 2023 Form 10-K See locations on the LPL website
2-2	Entities included in the organization’s sustainability reporting	Reporting guidelines and content [insert link] See LPL Financial 2023 Form 10-K
2-3	Reporting period, frequency, and contact point	Reporting Period: January 1, 2023, through December 31, 2023 Frequency of reporting: Annual Report Publication Date: April 9, 2024 Contact Point: Leslie.Dunham@lplfinancial.com
2-4	Restatements of information	In 2023 we refined our reporting methodology and as a result, we adjusted our 2022 supplier data and goals. See pages 8 and 36.
2-5	External assurance	External assurance for this report has not been obtained
Activities and workers		
2-6	Activities, value chain, and other business relationships	[About LPL]
2-7	Employees	[Appendix II: ESG Consolidated Data Sheet: PEOPLE AND CULTURE]
Governance		
2-9	Governance structure and composition	[ESG Governance] ; [Appendix I: Governance] See underlying information described within topical sections. For more information, see: <ul style="list-style-type: none"> ▪ Corporate Governance on the LPL Financial website ▪ LPL Financial Proxy Statement
2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> ▪ Corporate Governance on the LPL Financial website ▪ LPL Financial Proxy Statement



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

III: GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
2-11	Chair of the highest governance body	Chairman of the Board— James Putnam
2-12	Role of the highest governance body in overseeing the management of impacts	[ESG Governance] ; [Appendix I: Governance] See underlying information described within topical sections. For more information, see: <ul style="list-style-type: none"> ▪ Corporate Governance on the LPL Financial website ▪ LPL Financial Proxy Statement
2-13	Delegation of responsibility for managing impacts	[ESG Governance] ; [Appendix I: Governance] See underlying information described within topical sections. For more information, see: <ul style="list-style-type: none"> ▪ Corporate Governance on the LPL Financial website ▪ LPL Financial Proxy Statement
2-14	Role of the highest governance body in sustainability reporting	Our sustainability report is reviewed by executive management and the board, including the LPL Nominating and Governance Committee, which provides oversight over LPL sustainability efforts.
2-15	Conflicts of interest	[Business Ethics and Compliance] <ul style="list-style-type: none"> ▪ LPL Financial Proxy Statement
2-16	Communication of critical concerns	[ESG Governance] ; [Appendix I: Governance] See underlying information described within topical sections. For more information, see: <ul style="list-style-type: none"> ▪ Corporate Governance on the LPL Financial website ▪ LPL Financial Proxy Statement
2-17	Collective knowledge of the highest governance body	[ESG Governance] ; [Appendix I: Governance] See underlying information described within topical sections. For more information, see: <ul style="list-style-type: none"> ▪ Corporate Governance on the LPL Financial website ▪ LPL Financial Proxy Statement
2-18	Evaluation of the performance of the highest governance body	[ESG Governance] ; [Appendix I: Governance] See underlying information described within topical sections. For more information, see: <ul style="list-style-type: none"> ▪ Corporate Governance on the LPL Financial website ▪ LPL Financial Proxy Statement



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

III: GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
2-19	Remuneration policies	LPL Financial Proxy Statement
2-20	Process to determine remuneration	LPL Financial Proxy Statement
2-21	Annual total compensation ratio	LPL Financial Proxy Statement
Strategy, policies, and practices		
2-22	Statement on sustainable development strategy	<p>[RESPONSIBLE BUSINESS]; [PEOPLE AND CULTURE]; [SOCIAL IMPACT]; [Appendix I: Governance]</p> <p>See underlying information described within topical sections, including our new sustainability pillars, which outline our strategic focus areas that are most material to LPL's business.</p>
2-23	Policy commitments	[RESPONSIBLE BUSINESS]; [Business ethics and compliance]; [Appendix I: Governance: RESPONSIBLE BUSINESS]
2-24	Embedding policy commitments	[RESPONSIBLE BUSINESS]; [Business ethics and compliance]; [Appendix I: Governance: RESPONSIBLE BUSINESS]
2-25	Processes to remediate negative impacts	<p>[RESPONSIBLE BUSINESS]; [Business ethics and compliance]; [Appendix I: Governance: RESPONSIBLE BUSINESS]</p> <p>For more information, see:</p> <ul style="list-style-type: none"> ▪ Climate Report
2-26	Mechanisms for seeking advice and raising concerns	<p>[RESPONSIBLE BUSINESS]; [Business ethics and compliance]; [Appendix I: Governance: RESPONSIBLE BUSINESS]</p> <p>Additional features of LPL's integrity hotline:</p> <ul style="list-style-type: none"> ▪ Includes a toll-free line and website managed by an outside, independent service provider. ▪ The system provides the reporter a report number which they can use to ask questions, get an update on the report, or answer additional questions anonymously which can aid in the investigation. ▪ The anonymous person can interact with an Integrity Ombudsperson through this system.



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

III: GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
2-27	Compliance with laws and regulations	<p>LPL's material legal proceedings are disclosed in our LPL Financial 2023 Form 10-K</p> <p>Additional notes on compliance:</p> <ul style="list-style-type: none"> ▪ In 2023, LPL had no instances of noncompliance with laws or regulations in the social and environmental area. ▪ The Compliance team measures its effectiveness through Objective Key Results that track progress toward goals and the effectiveness of the compliance function. ▪ A Compliance Alert is sent every month to all advisors informing them of all legal and regulatory compliance-related changes. It includes featured updates, training opportunities, and reminders, effectively serving as an awareness program for updates and changes. ▪ LPL's program is guided by FINRA rules.
2-28	Membership associations	<ul style="list-style-type: none"> ▪ SIPC, Securities Industry and Financial Markets Association (the securities industry's leading trade association) ▪ Insured Retirement Institute ▪ Association of African American Financial Advisors ▪ Association of Corporate Citizenship Professionals ▪ American Securities Association ▪ Catalyst of San Diego and Imperial Counties ▪ Greater Boston Chamber of Commerce ▪ New England Council — regional business association ▪ Charlotte Regional Business Alliance ▪ South Carolina Chamber of Commerce ▪ California State Chamber of Commerce ▪ Austin Chamber of Commerce ▪ Florida Securities Dealers Association ▪ Foundation for the Carolinas Charlotte Community Affairs Professionals ▪ Public Affairs Council ▪ Practicing Law Institute ▪ Minority Corporate Counsel Association ▪ Nicsa ▪ Latino Corporate Directors Association ▪ Investment Adviser's Association ▪ Institute for Portfolio Alternatives ▪ Managed Money Institute ▪ LIBRA Insurance Partners ▪ Association for Corporate Citizenship Professionals (ACCP) ▪ Catalyst
2-29	Approach to stakeholder engagement	[Stakeholder Engagement]



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

III: GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
MATERIAL TOPICS		
3-1	Process to determine material topics	[2023 LPL ESG Materiality Assessment]
3-2	List of material topics	[2023 LPL ESG Materiality Assessment]
Economic performance		
3-3	Management of material topics	LPL Financial 2023 Form 10-K
201-1	Direct economic value generated and distributed	[2023 Year in Review] ; [Appendix II: ESG Consolidated Data Sheet: LPL'S BUSINESS] See LPL Financial 2023 Form 10-K
201-2	Financial implications and other risks and opportunities due to climate change	See Climate Report
201-3	Defined benefit plan obligations and other retirement plans	[Employee Benefits]
Anti-corruption		
3-3	Management of material topics	[Business Ethics and Compliance] ; [Enterprise Risk Management] ; [Appendix I: Governance: RESPONSIBLE BUSINESS] ; [Appendix II: ESG Consolidated Data Sheet: RESPONSIBLE BUSINESS] Our Code of Conduct, among other items, includes: <ul style="list-style-type: none"> ▪ LPL's definition of "bribery," "corruption," and "conflicts of interest," and commitment to minimize these ▪ Guidelines for what is considered acceptable behavior ▪ Explicit prohibition of corruption or payment of bribes of any kind is outlined in our Code of Conduct Operating guidelines that address potential exposure to bribery and corruption are owned by LPL's various departments but are reviewed during LPL's annual ABAC Policy review.
205-1	Operations assessed for risks related to corruption	[Enterprise Risk Management] ; [Managing Bribery, Corruption, and Money Laundering] While LPL does not explicitly perform a risk assessment of bribery and corruption, these risks are considered as part of LPL's broader Annual Risk Assessment.



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

III: GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
205-2	Communication and training about anti-corruption policies and procedures	[Business Ethics and Compliance] ; [Appendix I: Governance] ; [Appendix II: ESG Consolidated Data Sheet] Additional notes on ABAC: <ul style="list-style-type: none"> ▪ Every employee and advisor is given a copy of the Code at the start of their association with LPL. ▪ An amendment of the Code or a waiver of the Code for an executive officer can only be made by the LPL Board or a committee thereof. ▪ There is a comprehensive Code of Conduct training course that is offered through LPL University for which employees receive training credit. The Compliance Department monitors completion of the acknowledgment. ▪ 100% of employees and advisors completed annual anti-money laundering training.
205-3	Confirmed incidents of corruption and actions taken	See LPL Financial 2023 Form 10-K There were no instances of violations of the LPL ABAC Policy by LPL employees in 2023.
Anti-competitive Behavior		
3-3	Management of material topics	[Business Ethics and Compliance]
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	[Appendix II: ESG Consolidated Data Sheet: RESPONSIBLE BUSINESS] During 2023, there were no legal or regulatory fines or settlements associated with anti-competitive behavior or violations of anti-trust and monopoly legislation for LPL Financial Holdings.
Materials		
3-3	Management of material topics	[ENVIRONMENTAL STEWARDSHIP] ; [Appendix I: Governance: ENVIRONMENTAL STEWARDSHIP]
Energy		
3-3	Management of material topics	[Climate Action] ; [Appendix I: Governance: ENVIRONMENTAL STEWARDSHIP]
302-1	Energy consumption within the organization	[Climate Action] ; [Appendix II: ESG Consolidated Data Sheet: ENVIRONMENTAL STEWARDSHIP]



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ **Appendix**

LPL Financial
Sustainability
Report 2023

III: GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
302-3	Energy intensity	[Climate Action]; [Appendix II: ESG Consolidated Data Sheet: ENVIRONMENTAL STEWARDSHIP]
Water and effluents		
3-3	Management of material topics	[Operational Sustainability]; [Appendix I: Governance: ENVIRONMENTAL STEWARDSHIP]
303-3	Water withdrawal	[Operational Sustainability]; [Appendix II: ESG Consolidated Data Sheet: ENVIRONMENTAL STEWARDSHIP]
303-5	Water consumption	[Operational Sustainability]; [Appendix II: ESG Consolidated Data Sheet: ENVIRONMENTAL STEWARDSHIP]
Emissions		
3-3	Management of material topics	[Climate Action]; [Appendix I: Governance: ENVIRONMENTAL STEWARDSHIP]
305-1	Direct (Scope 1) GHG emissions	[Climate Action]; [Appendix II: ESG Consolidated Data Sheet: ENVIRONMENTAL STEWARDSHIP]
305-2	Energy indirect (Scope 2) GHG emissions	[Climate Action]; [Appendix II: ESG Consolidated Data Sheet: ENVIRONMENTAL STEWARDSHIP]
305-3	Other indirect (Scope 3) GHG emissions	[Climate Action]; [Appendix II: ESG Consolidated Data Sheet: ENVIRONMENTAL STEWARDSHIP]
305-4	GHG emissions intensity	[Climate Action]; [Appendix II: ESG Consolidated Data Sheet: ENVIRONMENTAL STEWARDSHIP]
Waste		
3-3	Management of material topics	[Operational Sustainability]; [Appendix I: Governance: ENVIRONMENTAL STEWARDSHIP]
306-3	Waste generated	[Operational Sustainability]; [Appendix II: ESG Consolidated Data Sheet: ENVIRONMENTAL STEWARDSHIP]
306-4	Waste diverted from disposal	[Operational Sustainability]; [Appendix II: ESG Consolidated Data Sheet: ENVIRONMENTAL STEWARDSHIP]
Employment		
3-3	Management of material topics	[PEOPLE and CULTURE]; [Appendix I: Governance: PEOPLE AND CULTURE]
401-1	New employee hires and employee turnover	[Appendix II: ESG Consolidated Data Sheet: PEOPLE AND CULTURE]



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

III: GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	[Employee benefits] ; [Appendix II: ESG Consolidated Data Sheet: PEOPLE AND CULTURE]
401-3	Parental leave	[Employee benefits] ; [Appendix II: ESG Consolidated Data Sheet: PEOPLE AND CULTURE]
Training and education		
3-3	Management of material topics	[Employee Training and Professional Development] ; [Advisor training and professional development] ; [Appendix I: Governance: PEOPLE AND CULTURE]
404-1	Average hours of training per year per employee	[Employee Training and Professional Development] ; [Advisor training and professional development] ; [Appendix II: ESG Consolidated Data Sheet: PEOPLE AND CULTURE]
404-2	Programs for upgrading employee skills and transition assistance programs	[Employee Training and Professional Development] ; [Advisor training and professional development] ;
404-3	Percentage of employees receiving regular performance and career development reviews	[Employee Training and Professional Development] ; [Advisor training and professional development] ; [Appendix II: ESG Consolidated Data Sheet: PEOPLE AND CULTURE]
Diversity and equal opportunity		
3-3	Management of material topics	[Diversity, Equity, and Inclusion] ; [Appendix I: Governance: PEOPLE AND CULTURE]
405-1	Diversity of governance bodies and employees	[ESG Governance] ; [Appendix I: Governance: PEOPLE AND CULTURE] ; [Appendix II: ESG Consolidated Data Sheet: PEOPLE AND CULTURE]
Non-discrimination		
3-3	Management of material topics	[Business Ethics and Compliance] ; [Appendix I: Governance: RESPONSIBLE BUSINESS] LPL has several teams and channels in place to respond to and address claims of discriminatory or unfair practices, reported by employees, advisors, and other third parties. These include the Whistleblower and Integrity Hotline, Legal department, and Care Business Unit Employees. LPL analyzes all complaints annually to identify trends and areas of concern and presents them to the board. The board's feedback is incorporated in the development and/or alteration of existing policies, practices, and training. In addition to our Whistleblower and Integrity Hotline, policies pertaining to fair labor practices can be found in our Human Rights Statement of Principles .
406-1	Incidents of discrimination and corrective actions taken	In 2023, we had no substantiated instances of illegal discrimination in our workforce and workplace.



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

III: GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
Local communities		
3-3	Management of material topics	[SOCIETAL IMPACT]; [Appendix I: Governance: SOCIETAL IMPACT]
Supplier social assessment		
3-3	Management of material topics	[Responsible Sourcing]; [Appendix I: Governance: RESPONSIBLE BUSINESS]
414-1	New suppliers that were screened using social criteria	[Responsible Sourcing]; [Appendix II: ESG Consolidated Data Sheet: RESPONSIBLE BUSINESS]
Public policy		
3-3	Management of material topics	[Public Policy and Advocacy]; [Appendix I: Governance: RESPONSIBLE BUSINESS]
		Members of the PAC Board of Directors are approved by LPL’s chief legal officer and are responsible for approving the PAC budget, recipients, and overall strategy. The LPL PAC undergoes an audit using outside counsel after every Congress (every two years) to confirm the PAC complies with relevant regulation and is benchmarked against other corporate PACs.
		The Government Relations team assesses effectiveness using the following metrics:
		<ul style="list-style-type: none"> ▪ PAC dollars raised ▪ PAC dollars spent ▪ Number of comment letters submitted ▪ Number of white papers created
		These figures are reported in our annual PAC report .
415-1	Political contributions	[Public Policy and Advocacy]; [Appendix II: ESG Consolidated Data Sheet: RESPONSIBLE BUSINESS]
Marketing and labeling		
3-3	Management of material topics	[Product Risk]; [Sustainable Investing]; [Appendix I: Governance: RESPONSIBLE BUSINESS]; [Appendix I: Governance: SOCIETAL IMPACT]



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

III: GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
417-3	Incidents of non-compliance concerning marketing communications	See LPL Financial LPL Financial 2023 Form 10-K for a summary of LPL's material legal proceedings.
Customer privacy		
3-3	Management of material topics	[Cybersecurity and Data Privacy] ; [Appendix I: Governance: RESPONSIBLE BUSINESS] Human rights are respected through LPL's commitment to disclose how we collect, use, and share information covered in our Privacy Policy and HR policies. We provide processes for individuals to assert their personal rights as required by state law, such as California Consumer Privacy Act compliance. LPL uses the following core metrics to measure the performance of LPL's cybersecurity and data privacy program: <ul style="list-style-type: none">▪ Risk assessment metrics▪ Regulatory report card metrics▪ Privacy metrics — incidents, data subject access reports, and privacy choices
418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data	See LPL Financial 2023 Form 10-K for a summary of LPL's material legal proceedings



SASB CONTENT INDEX

We have included the disclosures below related to the three sectors that are most closely aligned to our mix of businesses: Asset Management and Custody Activities, Consumer Finance, and Investment Banking and Brokerage. Disclosures that appeared in more than one of these sector standards are included once. Unless otherwise noted, all data and descriptions apply to our entire firm for the 2023 calendar year. We do not currently disclose all metrics included in the standards for these three sectors, though we will continue to evaluate them in the future. The table below shows where you can find the information throughout the report.

DISCLOSURE TOPIC	DISCLOSURE NUMBER	DISCLOSURE ACCOUNTING METRIC	LOCATION (REPORT SECTION, URL)
Asset Management and Custody Activities, and Investment Banking and Brokerage			
Transparent Information and Fair Advice for Customers	FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	See LPL Financial 2023 Form 10-K for a summary of LPL's material legal proceedings
	FN-AC-270a.2	Total amount of monetary loss as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	See LPL Financial 2023 Form 10-K for a summary of LPL's material legal proceedings
	FN-AC-270a.3	Description of approach to informing customers about products and services	[Product Risk] ; [Appendix I: Governance: RESPONSIBLE BUSINESS]
Employee Diversity and Inclusion	FN-AC-330a.1, FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	[Appendix II: ESG Consolidated Data Sheet: PEOPLE AND CULTURE]
Incorporation of Environmental, Social, and Governance Factors in Investment Management and Advisory	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	[Sustainable Investing] ; [Appendix II: ESG Consolidated Data Sheet: SOCIETAL IMPACT]
	FN-AC-410a.2, FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	[Sustainable Investing] ; [Appendix I: Governance: SOCIETAL IMPACT]
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	LPL uses third-party investment managers to vote on investee companies' proxies. LPL Research will monitor Recommended Manager's proxy voting activities to validate and verify these third-party investment managers' proxy voting activities.

- Contents
- Introduction
- Sustainability and Transparency at LPL
- Responsible Business
- People and Culture
- Societal Impact
- Environmental Stewardship

➤ **Appendix**



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ Appendix

LPL Financial
Sustainability
Report 2023

SASB CONTENT INDEX *(continued)*

DISCLOSURE TOPIC	DISCLOSURE NUMBER	DISCLOSURE ACCOUNTING METRIC	LOCATION (REPORT SECTION, URL)
Business Ethics	FN-AC-510a.1, FN-IB-510a.1	Total amount of monetary loss as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	During 2023, there were no legal or regulatory fines or settlements associated with violations of bribery, corruption, or anti-competitive standards for LPL Financial Holdings that occurred. Number of inquiries, complaints, or issues that were dealt with via whistleblower processes: 37
	FN-AC-510a.2, FN-IB-510a.2	Description of whistleblower policies and procedures	[Business Ethics and Compliance] ; [Appendix I: Governance: RESPONSIBLE BUSINESS] In 2023, all reports were appropriately investigated, and no suspected or substantiated breaches of ethics or business conduct policies were reported.
CONSUMER FINANCE			
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	Refer to our Privacy Policy and Privacy Notice found on our website and our LPL Financial 2023 Form 10-K and Annual Report for detail on data security risks.
	FN-CF-220a.2	Total amount of monetary loss as a result of legal proceedings associated with customer privacy	There were no monetary losses in 2023 as a result of legal proceedings associated with a compromise of LPL systems. Please see our LPL Financial 2023 Form 10-K and Annual Report for more information.
Data Security	FN-CF-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	1) There were no material data security incidents that required breach notifications 2) N/A 3) N/A
	FN-CF-230a.3	Description of approach to identifying and addressing data security risks	[Cybersecurity and Data Privacy] ; [Appendix I: Governance: RESPONSIBLE BUSINESS]
Selling Practices	FN-CF-270a.5	Total amount of monetary loss as a result of legal proceedings associated with selling and servicing of products	See LPL Financial 2023 Form 10-K for a summary of LPL's material legal proceedings.



SASB CONTENT INDEX *(continued)*

Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ **Appendix**

LPL Financial
Sustainability
Report 2023

DISCLOSURE TOPIC	DISCLOSURE NUMBER	DISCLOSURE ACCOUNTING METRIC	LOCATION (REPORT SECTION, URL)
INVESTMENT BANKING & BROKERAGE			
Incorporation of Environmental, Social, and Governance Factors in Investment Banking and Brokerage Activities	FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	[Sustainable Investing]; [Appendix II: ESG Consolidated Data Sheet: SOCIETAL IMPACT]
Professional Integrity	FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	See LPL Financial 2023 Form 10-K for a summary of LPL's material legal proceedings.
	FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	See LPL Financial 2023 Form 10-K for a summary of LPL's material legal proceedings.
	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	[Business Ethics and Compliance]; [Appendix I: Governance: RESPONSIBLE BUSINESS] LPL updates its Code of Ethics annually and distributes it to all investment advisors and employees. Additionally, all new employees and Investment advisory representatives must attest to the Code of Ethics at the time of hire. LPL has multiple avenues to measure effectiveness: <ul style="list-style-type: none"> ▪ Stakeholder engagement and employee feedback post-training (mostly anecdotal, but also observed through comments on LPL@Work article and summaries/engagement from executives) ▪ Annual training completion ▪ Advisor Business Conduct Committee metrics around Code of Conduct escalations/terminations



Contents

Introduction

Sustainability and
Transparency at LPL

Responsible Business

People and Culture

Societal Impact

Environmental
Stewardship

➤ **Appendix**

Disclaimer

Statements in this sustainability report and LPL Financial Holdings Inc.'s website regarding the company's ESG initiatives and future operating results, outlook, growth, plans, and business strategies, including statements regarding projected savings and anticipated improvements to the company's operating model, service offerings, technologies, and ESG metrics as a result of its initiatives and programs, as well as any other statements that are not related to present facts or current conditions or that are not purely historical, constitute forward-looking statements. These forward-looking statements are based on the company's historical performance and its plans, estimates, and expectations as of December 31, 2023. Forward-looking statements are not guarantees that the future results, plans, intentions, or expectations expressed or implied by the company will be achieved. Matters subject to forward-looking statements involve known and unknown risks and uncertainties, including economic, legislative, regulatory, competitive, and other factors,

which may cause actual financial or operating results, levels of activity, or the timing of events to be materially different than those expressed or implied by forward-looking statements. Important factors that could cause or contribute to such differences include execution of the company's plans and its success in realizing the benefits expected to result from its initiatives and programs, including its customer service and technology initiatives, and the other factors set forth in Part I, "Item 1A. Risk Factors" in the Company's 2023 Annual Report on Form 10-K, as may be amended or updated in the company's Quarterly Reports on Form 10-Q or other filings with the SEC. Except as required by law, the company specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after the release of this report, even if its estimates change, and you should not rely on statements contained herein as representing the company's views as of any date subsequent to the date of this report.

This material has been prepared by LPL Financial, LLC.

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