

LPL SUSTAINABILITY REPORT 2022



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MESSAGE FROM OUR CEO



In times of change and uncertainty, we believe it's best to go back to our mission and cultural values and use them as a guiding light. At LPL, that means taking care of our advisors so they can take care of their clients, and coming together as one team to deliver extraordinary results. Those aspirations are at the core of how we seek to run a thriving and sustainable business, and I'm heartened and inspired by the ways in which the LPL family delivered on them in 2021.

In that spirit, I'd like to provide some color on LPL's environmental, social, and governance (ESG) efforts in 2021, and touch on our focus areas for 2022 and beyond.

Looking back at 2021

Throughout 2021, our employees and advisors remained agile and resilient, turning challenges into opportunities and continuing to focus on the big picture:

- Evolving our policies, processes, and operations to protect the health of our team and stay focused on taking care of our advisors
- Accelerating our commitment to foster inclusion and belonging
- Becoming one of the top 100 U.S. companies supporting healthy families and communities

In addition, we remained focused on building community and partnership in a primarily-virtual environment—more than 1,400 employees participated in one or more of our 10 Employee Resource Groups (ERGs), including our African-American, Veterans, and Pride ERGs; and over 1,300 advisors participated in one or more of the 32 virtual events hosted by our Advisor Diversity & Inclusion program.

Last year we also rolled out our first Employee Promise and Advisor Promise, which articulate our commitment to one another, and what we look like when we're at our best. The spirit and aspiration of each Promise is perhaps best reflected in their respective openings:

- **Employee Promise:** "We empower you to thrive by placing your well-being first so you feel a part of our family."
- **Advisor Promise:** "To us, you're more than an advisor. You're the reason why we exist."

These commitments will continue to be at the heart of who we are, and how we show up for each other every day.

Innovating for tomorrow

Looking ahead, we will continue to deepen and enrich our commitment to each of our ESG strategic focus areas:

- **Operations:** Reimagine the way we work to enhance social and environmental performance
- **Culture:** Promote a diverse and inclusive financial system for all
- **Business:** Enable advisors to thrive and incorporate ESG into investing and operations

As part of that process, we will look to continue to reduce our environmental footprint, as well as expand our efforts to address climate change.

By creating purposeful and data-driven initiatives across our ESG strategic focus areas, we believe that we will be well positioned to deliver great experiences for our employees; drive profitable growth for our shareholders; and help our clients be extraordinary advisors and run thriving businesses.

As a result, our advisors and institutions will help millions of Americans build a better and more secure future.

It is our privilege and honor to serve them.

Sincerely,

Dan Arnold,
President and CEO

ABOUT THIS REPORT

LPL’s Sustainability Report 2022 provides the latest information on our most material sustainability issues and the focus areas prioritized by our stakeholders.

Through sustainable strategies and practices, we’re building a future where advisors can pick the business model, services, technology, and product mix that best meets their clients’ needs. We greatly value the perspectives of our stakeholders and continue to increase disclosures and the timing of our reporting and engagement to reflect that.

Report boundaries

This report describes our approach to managing our most material sustainability issues by providing both qualitative and quantitative information. Unless otherwise noted, this report, and the data presented, cover the 2021 calendar year. The data reported is based on all LPL corporate offices and does not include our employee-based advisors. Some early 2022 initiatives or targets are also included to provide the latest updates to our stakeholders. For additional information, please visit [LPL’s Social Responsibility page](#).

Reporting guidelines and content

We prepared this report leveraging various reporting frameworks and guidance documents including the Global Reporting Initiative (GRI) Sustainability Reporting Standards, Sustainability Accounting Standards Board (SASB) Consumer Finance and Asset Management & Custody Activities industry guidance.

When we use the terms “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/or investment adviser representatives affiliated with LPL Financial LLC, an SEC registered broker-dealer and investment adviser.

The use of the term “materiality” and other similar terms refer to environmental, social, and governance (ESG) and sustainability topics. We aren’t using such terms as they’re used under the securities laws or other laws of the United States or any other jurisdiction, or as these terms are used in the context of financial statements and financial reporting.

Reporting uncertainties

Non-financial information is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

📌 We appreciate any feedback on this report and our sustainability programs. For more information or to provide comments, please reach out to Leslie Dunham, LPL’s Head of ESG, at leslie.dunham@lplfinancial.com.

2021 YEAR IN REVIEW

Our Operations

5,919 employees

across five offices and 48 states

\$38,000

spent on new energy efficiency programs

LPL makes Newsweek's 2021 list of

America's Most Responsible Companies

123,881 hours

in employee training



Completed

First supplier diversity assessment



1,400+ employees

participated in 10 Employee Resource Groups

32 DEI Events

hosted for advisors, totaling 1,317 participants

Our Culture

Just Capital Top 100

U.S. Company Supporting Healthy Families and Communities



19 LPL Advisors Named **2021 Forbes Top Women Advisors**



\$1,701,843 in donations

from the LPL Financial Foundation



Our Business

Nearly 20,000 financial professionals

supported by LPL services and resources

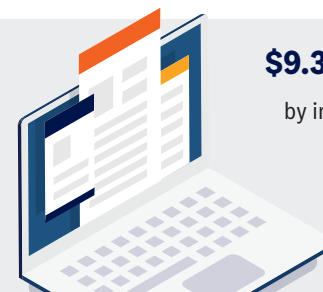
\$770.6 million

in net new assets in sustainable investments in 2021

12,326 LPL financial advisors have nearly

400,000 clients

who invested more than \$11.5 billion in sustainable funds



\$9.3 million saved

by investors converting to paperless

CREATING VALUE, TOGETHER

LPL Financial was founded on the principle that the firm should work for the advisor, and not the other way around.

Today, LPL supports nearly 20,000 financial advisors, including advisors at approximately 800 institution-based investment programs and at approximately 500 independent registered investment advisor (RIA) firms nationwide. We are steadfast in our commitment to the advisor-centered model and the belief that Americans deserve access to personalized guidance from a financial advisor.

We believe that independence means that advisors have the freedom they deserve to choose the business model, services, and technology resources that allow them to run their perfect practice. And they have the freedom to manage their client relationships, because they know their clients best. Simply put, we take care of our advisors, so they can take care of their clients.

See our [About LPL](#) and [Investor Relations](#) sections of our website for more information on our business operations and financial results.

OUR MISSION

LPL was founded on the principle that the firm should work for the advisor, not the other way around. That principle is reiterated in our mission, “**We take care of our advisors, so they can take care of their clients,**” and it permeates everything we do. We remain steadfast in our commitment to the advisor-centered model and the belief that every American deserves access to personalized guidance from a financial advisor.

OUR VALUES

Our corporate values help us activate and execute on our mission every day, keeping us focused, agile, and accountable:



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 get a better outcome.



Stop and consider the big picture

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



Value progress over perfection

We experiment, learn, iterate, and innovate, sharing bold ideas and taking calculated risks to create extraordinary new capabilities.



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.

PURSUING ESG AT LPL

Our ESG vision is to take care of our advisors and their clients by operating responsibly and ethically and strengthening trust with our mutual stakeholders.

LPL’s approach to ESG (or sustainability) topics is guided by our mission to take care of our advisors, clients, and communities. We are committed to conducting business in a responsible and sustainable manner, and continue to strengthen the management of our most material ESG topics.

We focus on the topics most relevant to our business, communities, and our stakeholders and, therefore, we periodically refresh our sustainability materiality assessment. Our most recent ESG materiality assessment was published in our 2021 sustainability report. The outcome of this exercise inform how our company thinks about our long-term strategy and our ESG areas of impact. We structure our areas of impact into three pillars, which guide our programs and initiatives. Through our efforts to reimagine the way we work, promote a diverse and inclusive financial system for all, and enable advisors to thrive, we aim to create value and decrease risk for all our stakeholders and communities.

Throughout this report, we share our management approach, progress, and key metrics for each material ESG topic through the lens of our ESG focus areas. We also highlight the key UN Sustainable Development Goals (UN SDGs) where we believe we can make the greatest contributions utilizing our core strengths and competencies as a firm.

ESG materiality assessment

	Lower Materiality Important to LPL	Moderate Materiality Very important to LPL	Highest Materiality Most important to LPL
Environment	<ul style="list-style-type: none"> Energy Efficiency Greenhouse Gas Emissions Renewable Energy Waste and Water Management 	<ul style="list-style-type: none"> Climate Risk 	<ul style="list-style-type: none"> Paper Reduction
Social	<ul style="list-style-type: none"> Local Employment Human Rights and Supply Chain Management 	<ul style="list-style-type: none"> Financial Literacy Employee Compensation Employee Well-Being Training and Professional Development Employee Volunteering Corporate Giving Service Affordability 	<ul style="list-style-type: none"> Attracting and Retaining Talent Advisor Diversity and Inclusion Employee Diversity, Equity, and Inclusion Employee Engagement
Governance		<ul style="list-style-type: none"> Anti-Competitive Practice Prevention Executive Compensation 	<ul style="list-style-type: none"> Sustainable Investing Board Diversity Legal and Regulatory Compliance Corporate Governance and Risk Management Business Ethics Consumer and Advisor Protection Cybersecurity Data Privacy and Protection

ESG focus areas

Operations

Reimagine the way we work to enhance social and environmental performance

Culture

Promote a diverse and inclusive financial system for all

Business

Enable advisors to thrive and incorporate ESG into investing and operations

SUSTAINABILITY GOVERNANCE

The Nominating and Governance Committee oversees our sustainability program, including disclosures and progress. The Nominating and Governance Committee is updated quarterly on our progress and future roadmap. In 2021, we also established an ESG Steering Committee, made up of senior leaders from across the company, to lead the further development of ESG strategy and provide stronger accountability mechanisms for our ESG outcomes. Responsibility for the implementation of various components of our ESG strategy—from diversity, equity, and inclusion, to energy efficiency—sits with the relevant functional and program leaders, who, in turn, report key performance indicators and initiatives to the ESG Steering Committee. Review our [ESG Steering Committee Charter](#) for more details on this group’s responsibilities and activities.

Governance structure for environmental and social responsibility










LPL’s ESG Steering Committee:

- Assists the Management Committee in developing, implementing, and monitoring ESG-related initiatives and policies
- Identifies changes in materiality and evolving topics to add to our ESG program
- Monitors and assesses regulatory and industry developments that relate to and improve LPL’s ESG journey

STAKEHOLDER ENGAGEMENT

We engage with our stakeholders—including advisors, employees, investors, suppliers, public policy makers, communities, and trade organizations—in various ways to inform the understanding and management of our material sustainability issues. This chart lists our various stakeholder groups and examples of ways we engaged with them during 2021.

Key stakeholder group	Annual 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 topics from the 21-member Advisor Inclusion Council 	<ul style="list-style-type: none"> Regular surveys, including a Net Promoter® System survey three times a year Industry groups, roundtables, events, and conferences for soliciting feedback and industry perspectives
 Communities	<ul style="list-style-type: none"> LPL Financial Foundation philanthropic donations and strategic partnerships with community-based nonprofits 	<ul style="list-style-type: none"> Charitable donation matching program for employees and advisors Employee volunteering with local nonprofits
 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 communications, including virtual and on-site town halls with Q&As 	<ul style="list-style-type: none"> Manager relationships to solicit 1:1 feedback throughout the organization Employee Resource Groups to provide recommendations and input on topics important to the diverse employee base
 Government/Regulators	<ul style="list-style-type: none"> Proactive policy engagement and outreach with officials at all levels of government 	
 Investors	<ul style="list-style-type: none"> Annual shareholder meetings Quarterly earnings conference calls to share business and financial results 	<ul style="list-style-type: none"> Ongoing shareholder events and meetings to maintain open dialogue Annual report and proxy
 Suppliers	<ul style="list-style-type: none"> Direct outreach on contracts and procurement procedures Engagement with critical suppliers to help manage supply chain risk and opportunities 	<ul style="list-style-type: none"> Outreach to expand diversity within our supply chain
 Trade Organizations	<ul style="list-style-type: none"> Trade association events, advisory panels, issue-specific forums, and informal best-practice sharing 	

OUR EMPLOYEES AND ADVISORS

The key to our success are our approximately 5,900 employees who serve our advisors and support the daily operations of our business. As we grow, we endeavor to be the employer of choice through comprehensive compensation and benefits, ample development and growth opportunities, and an emphasis on employee well-being. We are dedicated to employee engagement and continuous learning, and we cultivate a diverse culture of inclusion and belonging so employees can thrive.



Our Work Contributes to these SDGs:



OUR EMPLOYEES

Employee attraction and engagement

Our workforce continues to grow to better support our advisors and clients. This year, we grew by more than 20% and added 1,000+ new employees across the country. Our talent attraction strategies are forever evolving to meet our current and future workforce both online and in person. We also look for ways to expand the talent pool through education, training, and employment initiatives. Read more about our recruitment efforts on [page 17](#), as well as the work the LPL Financial Foundation does on [page 40](#).

We work to engage our employees through fostering an environment of open, two-way communication, so they feel valued and heard. Twice a year, we formally check in with our employees through our “LPL Listens” survey to gather their feedback on what we are doing well, what needs improvement, and how satisfied they are in topics such as DEI, benefits, compensation, and LPL’s community involvement. Our 2021 survey elicited a 94% response rate, with more than 77% of responses being favorable, a drop compared with 96% response rate in 2020. In addition, we hold monthly manager calls which provide a forum for sharing information and gaining valuable insights to make strategic decisions with the employee top of mind. LPL provides a wide array of tools to help strengthen team engagement, and foster employee development. We recognize a continued need to focus on engaging our employees, especially in the new virtual and flexible work environments, and are exploring new technologies and methods to continue connecting as teams and communities.

Employee health, wellness, and benefits

We provide our employees with numerous benefits and resources to manage their health and wellness both on the

job and at home. Overseen by our Total Rewards team (in partnership with Corporate Communication, Finance, Payroll, and Human Capital) our benefits are provided to all full-time employees and qualified part-time employees—approximately 99% of our workforce. Through our benefits, we aim to support employees’ mental, physical, and financial well-being and promote a healthy work-life balance.

To support **physical well-being**, employees have access to medical, dental, and vision plans that also include telemedicine, health advocate services, healthcare and

This year, we grew by more than 20% and added 1,000+ new employees across the country.



93% of eligible employees participated in our 401(k) plan retirement programs

dependent-care flexible spending accounts and health savings accounts, that are in the top quartile of our industry peers. Medical premiums under the plans provided cost employees less than almost all competitive benchmarks. We also extended our existing COVID-19 paid sick leave policy to cover time away for receiving vaccinations and potential side effects.

To support **work-life balance**, all exempt employees are provided unlimited paid time off, and non-exempt employees receive paid time off, sick leave, and additional paid time off to vote and volunteer. We also recognize the need to provide flexible work arrangements, especially considering the ongoing pandemic. Employees have access to flexible start and end times, telecommuting, and, for those who do travel to the office, a commute reimbursement program. For parents at our company, we provide fully paid gender-neutral parental leave for six weeks. We also provide financial assistance for adoption and provide the same parental leave policy. All employees also receive nine company holidays a year, and in 2022, to further personalize our benefits and offer employees additional flexibility, we added two floating holidays for our employees to recharge or recognize cultural observances that are meaningful to them.

In addition, we offer competitive retirement benefits to eligible employees: 93% of eligible employees participated in our 401(k) plan retirement programs, which include matching contributions of 75% on the first 8% of an employee's designated deferral of their eligible compensation. Employees can also participate in an employee stock purchase plan.



LPL benefits guiding principles

- Support the needs of our employees and their families by offering meaningful and personalized benefits and well-being options
- Deliver to employees and their families competitive benefit options while minimizing annual disruptions
- Promote optimal benefit decision-making by driving accountability through continual education and resource utilization
- 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
- Evaluate the effectiveness of employee benefits programs through employee surveys and reviews of medical/prescription plan reporting provided by Aetna/Rx Benefits



Additional resources provided to employees to support ongoing self-care include:

- Extra resources for dealing with stress
- Live panel of mental health experts to address concerns around stress and anxiety
- Daily virtual exercise programs (~21 classes/week)
- Fitness club discounts
- Weekly yoga classes
- Weekly guided meditations
- Weekly workplace posts with resources addressing resilience

Safety at LPL

In the workplace, LPL has implemented a Safety Policy that reinforces our safety-first approach. The policy outlines expectations for employees to promptly report all unsafe working conditions, accidents, and injuries, to their supervisor, Human Resources, or the Corporate Security department. Our teams then correct any potential hazards, treat injured workers as needed, and process workers’ compensation claims. Furthermore, we have policies that outline expectations for employees in the areas of information security, smoking, visitors at work, workers’ compensation and workplace violence.

LPL continues to support its employees during COVID 19:

- Paid time off cash-out opportunity for non-exempt employees
- Continued internet reimbursement for employees working remotely
- Continued office chair loan program for employees working remotely
- Continuation of all provisions of the CARES Act providing financial relief through relaxed 401(k) loan and hardship withdrawal provisions, FSA maximum contributions, and roll-over amounts

Employee training and professional development

We are committed to delivering exceptional learning experiences that provide employees and advisors with the knowledge and skills to be successful. Our training and development programs, services, and resources, overseen by our chief human capital officer and Human Resources executive team, are offered to every employee to help them transition to the next step in their careers.

Our programs fall under three main categories: experience (on-the-job learning), exposure (learning through others), and education (formal training). Examples of our training and development programs include:

- **New hire orientation:** When employees are hired, they participate in four sessions that focus on immersing them in all things LPL.
- **Certification and licensing preparation courses:** We provide a number of courses to support employee certifications and licenses. For instance, our 12- and 14-week employee licensing prep series for SIE and Series 7 consists primarily of self-study with two hours of instructor-led virtual training per week.
- **Career development workshop:** Human Resources regularly hosts a workshop that helps employees identify and learn how to leverage their current professional experiences to form a plan that aligns with their career goals.
- **Talent review:** We evaluate LPL’s overall talent, identify high-potential leaders, and confirm succession plans for senior-level leaders through annual talent reviews. More than 95% of our workforce received career and performance reviews in 2021.

We request post-training feedback via surveys to hear from employees and improve our training. This year, our employee training satisfaction went up 3% to 91% from 2020. In addition to in-house training, we also provide tuition assistance for eligible employees to continue their education through university courses or certifications.

Employee training satisfaction was 91%, a 3% increase from 2020.

Employee training

	2020	2021
Total training hours	92,607 hours	123,881 hours
Learner satisfaction score	88%	91%



OUR ADVISORS

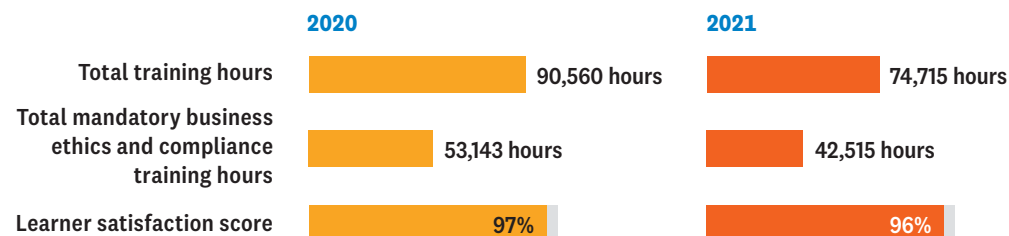
We support our advisors through a variety of training opportunities and resources to help them achieve their business objectives. These range from technology and financial skill-building programs to ethics and legal compliance certifications, including:

- **ClientWorks Fundamentals:** A live series of interactive webinars where new financial professionals and their staff learn about LPL's tools and technology.
- **Virtual Technology & Resources Forum:** A three-day training event for advisors, program managers, sales managers, licensed branch employees, administrative staff, and sales assistants designed to increase proficiency in LPL's investment tools and resources. The agenda includes hands-on technology training and the ability to select breakout sessions to tailor the learning experience. During the event, learners have the opportunity to expand their network by connecting with LPL subject-matter experts, sponsors, and peers.

- **Advisor University:** A one-stop shop on LPL's online Resource Center providing information on upcoming webinars and workshops, as well as recordings of best practices and materials.
- **LPL Office Essentials:** An educational program for advisors and their teams with strategic learning paths designed to increase effectiveness in the areas of industry knowledge, client service, office management, technology, marketing, and professional development.
- **Firm training:** Regulatory training for our advisors that is essential for their compliance. Training covers security and privacy, annual compliance meeting, anti-money laundering, financial crimes and fraud, and the SEC's Regulation Best Interest.

Advisor engagement and training is managed by our Advisor Inclusion Council, Head of Advisor Diversity & Inclusion, and Business Development team.

Advisor engagement and training



ADVISOR FEEDBACK

We obtain feedback from advisors through a variety of platforms:

- **Advisor Solutions:** A new team created to evolve, enhance, and strengthen how we engage with our advisors and address advisors' unique needs through fostering innovative solutions to help them grow and win in the marketplace.
- **Net Promoter System:** A tool that enables us to collect advisor input and translate it into actionable plans responding to their feedback. We conduct Net Promoter System surveys three times a year.
- **Periodic advisor surveys:** Specific surveys to assess the strength of advisor development resources.
- **New advisor calls:** An opportunity for new advisors to speak about their experience in joining LPL to identify strengths and opportunities for improvement.
- **Annual Compliance Questionnaire:** A self-identified advisor diversity data survey.

DIVERSITY, EQUITY, AND INCLUSION

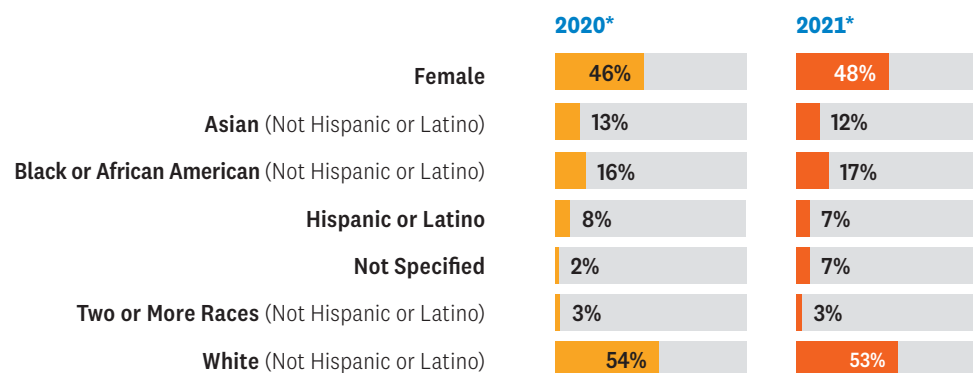
A fundamental part of our culture is to foster a diverse, equitable, and inclusive workplace where people from diverse backgrounds, experiences, and perspectives can grow and contribute. We believe that an inclusive culture is essential to the success of our business, and also enables us to continue addressing inequalities in the communities we serve. That commitment extends beyond our four walls to our efforts championing diversity and inclusion with our advisors, our communities, and throughout our supply chain.

DEI efforts for employees

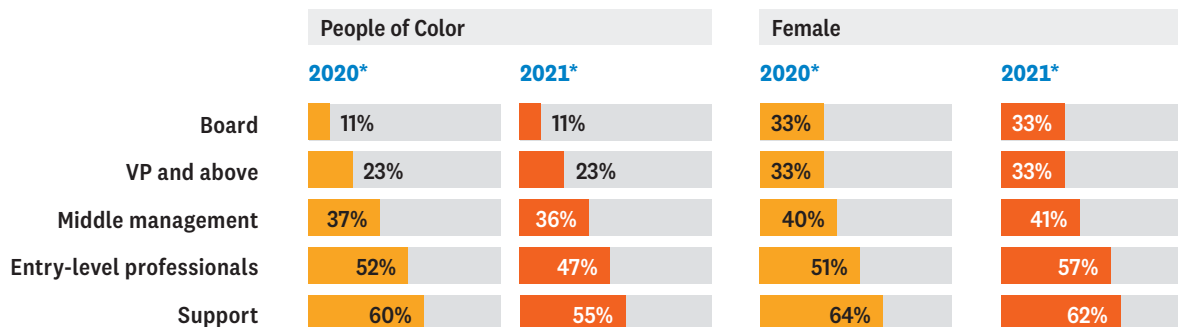
Our diversity, equity, and inclusion (DEI) efforts are overseen by our CEO, chief human capital officer, and chief diversity officer. In 2021, the executive leadership team reviewed and aligned on the enterprise DEI strategy on a monthly basis. The management committee received quarterly updates with monthly metrics, where they approved a requested financial investment in our DEI program. In addition, the board of directors also received updates during regularly scheduled quarterly meetings.

It takes all of us—every single one of us—to bring our culture to life and deliver on our mission to take care of our advisors so they can take care of their clients. We do that by fostering a sense of purpose and belonging for everyone. In 2021, we framed our DEI work and shared our progress across three pillars: **attraction, promotion, and engagement**. We continue to lean into that framework of attracting, promoting, and engaging top talent, particularly among women and people of color with an additional focus on Black talent. We have set internal goals to advance DEI at LPL and share our progress across an established set of key performance indicators each quarter with employees.

Snapshot of employee diversity



Diversity by level



*These values were rounded to approximate totals. Percentages were based on employee headcount of 6,005 as reported by LPL's Human Resource Information System on 12/31/2021. The numbers are a combination of self-reporting and a visual survey. Not all figures add to 100% due to undisclosed responses.

Attraction

The DEI talent attraction efforts are centered on strengthening relationships with community partners, particularly historically Black colleges and universities, where we have hosted several career fairs over the years. At our office in Fort Mill, South Carolina, we hosted our first onsite recruitment event with a group of 30 students from Johnson C. Smith University to engage with leaders and learn about LPL. These efforts helped create a 2021 class of interns where 75% identified as a woman and/ or a person of color.

We continue to improve our non-traditional recruitment channels as well, investing in new methodologies in 2021 to identify underrepresented pools of candidates and working with executive search firms that present diversity of candidates.

Promotion

We also focus our efforts on providing advancement opportunities for employees underrepresented in the financial industry. Our flagship Emerging Leaders Program virtually hosted a diverse group of 125 senior leaders with keynotes, small groups, real-world practice, and collaborative community discussions to further enhance their leadership capabilities. In addition, we have partnered for the eleventh year with Linkage's Women in Leadership Institute, sending 10 women leaders to the annual conference for learning and networking opportunities. We also sent our second cohort of 12 Black managers to McKinsey's Black Leadership Academy, and plan to expand to cover our Hispanic/Latinx and Asian communities in 2022.

The 2021 Emerging Leaders Program had 125 participants, of which 31 have been promoted. Of the 31 promotions, 27 were promoted from assistant vice president to vice president, three were promoted from vice president to senior vice president; and one was promoted from manager to assistant vice president. Twenty-three of the 31 promoted leaders were women or people of color.

COMMITMENT TO PAY EQUITY

At LPL Financial, we strive to offer total rewards, including compensation, benefits, and recognition programs that help our company be an employer of choice. Our compensation program is based on this philosophy: **attract, motivate, and retain responsibly**. Compensation is performance based, market informed, and business driven.

Our commitment to equal opportunity and non-discrimination also applies to our remuneration practices. We believe in fair compensation, and review compensation programs at all levels to ensure that individuals of comparable experience and performance who have similar roles and responsibilities are receiving comparable wages, while also taking into account their geographic location. Our discretionary bonus program, in which employees at all levels of the company participate, provides bonuses to employees based on the merits of their performance and potential.

LPL's board of directors, through its Compensation and Human Resources Committee, oversees the company's human capital management practices, which include our pay equity process. Our corporate governance framework for compensation analyses is overseen by a cross-functional team, which includes senior members of our Human Capital and Legal teams. We retain outside legal counsel and a labor economist to conduct these objective, independent analyses on base pay, discretionary bonuses, and merit increases. In addition to enabling LPL to take targeted steps to address individual employee compensation, these analyses have led LPL to improved company policies and practices that impact compensation decisions.



Pay equity review process

Our pay equity analysis focuses on both gender and race/ethnicity.

Base pay

LPL has committed to conducting an enterprise-wide analysis of base pay every three years. Our outside counsel provides a statistical analysis, and based on the results of these analyses, we take steps to ensure that employees are fairly compensated. In years in which we are not conducting the enterprise-wide analysis, we strategically select business units for analysis with a focus on our largest business units.

Bonus and merit awards

Annually, LPL's outside firm conducts separate statistical analyses of our managers' proposed discretionary bonus awards and merit increases. As with the base pay analysis, LPL takes appropriate action based on these reviews to ensure employees are compensated fairly and equitably.

Process

In each of these separate analyses, LPL seeks to identify compensation decisions that aren't consistent with its compensation philosophy and guidelines. LPL's Human Capital and Legal teams review those decisions that are identified by the analysis as being statistically significant with respect to race/ethnicity and gender. The team collects and reviews additional information (e.g., from managers) as appropriate to understand the drivers behind the compensation decision. Based on the individualized assessment of outliers, adjustments are implemented to ensure fair and equitable pay.

Engagement

We are working to improve the engagement gap between our various populations. We measure our improvements through biannual employee engagement surveys, feedback from our Employee Resource Groups (ERGs) and turnover rates. In 2021, our annual turnover rate for women was slightly lower than the company average, and for people of color the rate was 1.3% higher. We are committed to continuing to make the environment more inclusive and welcoming for all employees in 2022 and beyond.

Our ERGs and business unit affinity groups are critical in building a culture of belonging. Our ERG community led the way with two virtual flagship events: the ERG Fair and the DEI Summit. The ERG Fair provides an opportunity for all employees to network, gain exposure to leaders, and learn how ERGs promote an inclusive workplace and drive engagement. This year, the ERG Fair had 361 participants who expressed an 86% overall positive experience, resulting in 28% of participants immediately joining an ERG.

Our DEI Summit educates our teams on practical ways to create an environment of inclusion, highlights the different perspectives and experiences that make up our LPL family, and reinforces the importance of DEI as a thread of LPL culture. Our Engaging, Promoting, Inspiring, and Championing Blacks in Technology (B.EPIC) group sponsored a virtual discussion for 200 employees on Black trailblazers featuring Judge Pamela Alexander, the first Black woman to be appointed judge in Minnesota.

A culture of belonging is also reflected in our resources, policies, and practices, which we re-evaluate annually. We launched a DEI toolkit for all people managers, providing courses and tools to support meaningful conversations with employees. To embrace our collective diversity, we launched a floating holiday recognizing cultural observances and religious holidays that aren't included in the traditional bank holiday calendar. The holidays will be available each calendar year, so employees can celebrate what matters most to them.

The ERG Fair had 361 participants who expressed an 86% overall positive experience, resulting in 28% of participants immediately joining an ERG.

EMPLOYEE RESOURCE GROUPS

More than 1,400 employees participated in 10 Employee Resource Groups (ERGs)

Each ERG has an executive sponsor and monthly meetings with the enterprise DEI team to align on direction across the organization. This year, the ERGs provided valuable, enhanced employee experiences in a virtual environment to foster community and belonging.

- African-American ERG
- Asian ERG
- HOLA ERG
- People with disABILITIES ERG
- Workers with Accumulated and Valued Experience ERG
- Pride Alliance ERG
- Women's ERG
- Working Parents ERG
- Veterans ERG
- Young Professionals ERG



Fostering diversity among advisors

We look for opportunities to bring more diversity to the financial industry through recruiting and supporting advisors from diverse backgrounds, which translates to a more diverse and inclusive client representation and a stronger business. Our advisor initiatives are developed and implemented by the LPL Advisor Diversity & Inclusion team, along with strategic partnership and oversight from LPL’s Management Committee, and the Advisor Inclusion Council.

The Advisor Inclusion Council is made up of 21 advisors—52% women and 51% advisors of color—who meet three times a year and contribute to solutions for three primary goals:

- Attract more underrepresented financial advisors to the industry to help reflect the changing marketplace
- Help advisors address barriers to growth and engage in new investor markets
- Create and cultivate inclusive communities for advisors to connect, learn, and share best practices

The momentum of the Advisor Diversity & Inclusion program is tracked through the annual recruitment, retention, and growth of underrepresented advisor groups (including women, LGBTQ, and advisors of color); the attendance at our hosted events, and the results from our engagement and satisfaction surveys. Using these metrics, our Advisor Diversity & Inclusion team, in coordination with the Advisor Inclusion Council, develops strategies to improve our program effectiveness.

Based on feedback provided by our Advisor Inclusion Council, we worked on several new initiatives to meet the needs of our underrepresented advisors and their clients including:

- **More inclusive marketing materials:** We translated several pre-approved marketing communications into Spanish, added more diverse image options on marketing materials, and identified a language translation services vendor to support foreign language translation for custom marketing materials advisors use to reach the investor communities they serve.
- **Expanded resources:** To expand our advisors’ digital library, we added more resources on connecting with diverse investor communities, including brochures and seminars such as Women and Investing and Inclusive Investing.
- **Improved representation on LPL.com:** We added dedicated landing pages for Black advisors and women advisors and launched our second Advisor Diversity & Inclusion video series, “Around the Table: Black Advisor Voices.”

17%
of LPL advisors are women

32 D&I
events
in 2021 with 1,317 participants



ADVISOR DIVERSITY EVENTS

In 2021, we hosted 32 events and engaged 1,317 advisors throughout the year through several initiatives:

Diverse advisor recruitment

The Business Development team continues to enhance engagements and proactive outreach to attract women and multicultural advisor prospects. This encompasses increased assistance and incentives to support barriers for entry and growth for Black junior advisors.

Advisor business communities

Our five communities—Women, Black, Hispanic & Latino, Pride Alliance/LGBTQ, and Asian American & Pacific Islander (new in 2021)—connect through year-round events that include fireside chats with accomplished advisors, roundtable discussions, and networking opportunities. The communities hold an influential role in the development of D&I resources and programs created to support our advisors and the evolving investor marketplace.

Inclusion Forum

This virtual conference provides opportunities for advisors across the Asian American & Pacific Islander, Black, Hispanic & Latino, and Pride Alliance Advisor Business Communities to come together for curated content for underrepresented advisors, interactive breakout sessions, and peer-to-peer networking.

Focus conference events

At our flagship advisor conference, we hosted virtual networking roundtables for our Advisor Business Communities and held sessions featuring a diversity of advisors and speakers focused on the impact of community and navigating client conversations during times of social unrest.

Achieve: Women's Leadership Forum

Dedicated to top-performing women advisors, this in-person forum consists of dynamic keynote speakers, targeted breakouts and innovative social events.



Expanding our reach to communities and suppliers

Along with championing diversity, equity, and inclusion within our organization and among our advisors, we leverage our role in our industry and communities to engage externally on DEI. We spoke out on important issues such as the campaign to #StopAsianHate and continued efforts to stop violence against Black Americans. We also joined other employers in South Carolina to urge the legislature to pass hate crimes legislation, which would increase penalties for those who commit a crime because of race or other prejudice. Furthermore, we are sponsors at the Conference of African American Financial Professionals (CAAFP), Association of African American Financial Advisors (Quad A) VISION Conference and the Certified Financial Planner Board Diversity Summit where we have the opportunity to amplify our advisors' voices as they share their expertise and experience during conference panels and breakout sessions.

We also have ramped up service accessibility and affordability initiatives to make financial planning and investing opportunities more equitable. Read more about those efforts on [page 43](#).

Recently, LPL completed our first supplier diversity assessment, and we are committed to working with diverse businesses that are competitive in quality, service, and cost. See [page 25](#) for more information on how we support diversity in our supply chain. Read more about our overall DEI efforts on our [Diversity & Inclusion](#) webpage.

OPERATING WITH INTEGRITY

At LPL, we strive to operate responsibly to strengthen trust with our stakeholders and fulfill our mission of taking care of our advisors and their clients. Our culture of ethics and integrity begins at the top with our board and executive governance, and is built through a comprehensive collection of policies, controls, and procedures.



Our Work Contributes to this SDG:



GOVERNANCE AT LPL

We have a strong corporate governance framework to define the roles and responsibilities of our board of directors, encourage ethical behavior, and manage our strategies and operations. Our framework holds us accountable for our actions and allows us to create value as a company and as a partner.

To oversee our culture, values, and business objectives overall, we look to our board and management team. All of our directors are elected annually and, with the exception of the CEO, are independent under applicable Nasdaq and U.S. Securities and Exchange Commission (SEC) rules.

Comprised of three standing committees—Audit Committee, Compensation and Human Resources Committee, and Nominating and Governance Committee—our board manages our long-term strategic development and our risk management, including those risks related to business continuity and resiliency. Additionally, our internal audit function assists to improve our risk management, internal control, financial reporting, and governance processes. For more information about our corporate governance leadership and policies, please visit our [Corporate Governance](#) webpage and most [recent proxy statement](#).



BUSINESS ETHICS

The chief legal officer is the senior executive responsible for the Compliance, Legal & Risk department. This group is responsible and accountable for oversight of the company's ethics, integrity, and compliance programs including the anti-corruption and anti-bribery programs. In addition, the Enterprise Risk Management (ERM) department oversees, manages, and administers LPL's ERM program, which includes governance of the enterprise risk platform, controls, risk metrics, analyses and reporting, and enterprise risk management training.

LPL Code of Conduct

Our [Code of Conduct](#) is the foundation of our corporate integrity and business ethics program. The code applies to every employee and advisor and provides guidance to help employees uphold the standards of excellence that we expect in our business's conduct. The code covers a breadth of topics

summarizing our overarching approach to ethical decision-making. Topics span from equal employment opportunity and anti-harassment policies, whistleblower guidance, conflicts of interest, anti-bribery and anti-corruption, anti-money laundering and insider trading, political contributions, and cybersecurity.

The code is evaluated and updated on a regular basis depending on internal and external factors. Any update to the code must be approved by the senior leadership and changes must be published. In 2021, we rolled out a Standards of Professional Conduct section to advisors. The standards outline company expectations around the treatment of advisors and employees with respect, decency, and professionalism across written, visual, and spoken communications.

Every employee and advisor receives a copy of the code at the start of their association with LPL, which they can access on the intranet. Each year they must reaffirm that

they comply with the code. Advisors are also required to sign the Investment Advisor [Code of Ethics](#), which covers required disclosures including conflicts of interest, protection of client information, and reportable securities. There is also a more comprehensive Code of Conduct training course that is offered through LPL University for which employees can receive training credit.

Any employee or advisor who knows of or suspects a violation of the code, or a violation of state or federal laws such as suspicious transactions or irregularities, is strongly encouraged to report the matter to LPL's [Whistleblower and Integrity Hotline](#), a manager, the chief legal or risk officer or the integrity officer. The hotline provides a means to report complaints confidentially or anonymously. The integrity officer is responsible for investigating and promptly acting on allegations and concerns reported to the hotline. Senior management receives updates on a bimonthly basis and material allegations are reported to the Audit Committee, which then notifies the board of directors as appropriate. If an investigation reveals a violation, corrective action is taken, such as discipline, reassignment, changes in reporting relationships, training, dismissal, or other measures deemed appropriate.

Required Training

All employees, are asked to complete an annual training that summarizes our approach to ethics and integrity. In addition, there are a number of mandatory trainings that must be completed annually:

- Anti-Money Laundering and Fraud
- Data Privacy & Security
- Home Office Security & Data Privacy
- FINRA Rule 4530/Whistleblower
- Working with Senior and Vulnerable Adults
- Preventing Workplace Harassment
- Annual Compliance Meeting (Registered Employees Only)
- Workplace Violence Prevention Program
- Life and Fire Safety (CA Only)
- Insider Trading Policy
- Customer Complaints
- Regulation Best Interest (Reg BI)

Anti-corruption practices and compliance training

The compliance team ensures that LPL and our advisors adhere to laws and regulations. We complete annual internal audits of controls, reporting any material findings, such as instances of fraud, corruption, or bribery, to the board's Audit Committee. Investigations that reveal instances of noncompliance are addressed promptly.

In addition to proactive controls and audits, employees complete several mandatory training programs covering ethics and integrity topics. All active advisors and employees completed the annual anti-money laundering training in 2021, which also covers anti-bribery, anti-corruption, and preventing avoidance of international sanctions. For more information on training for our employees and advisors please visit [pages 14–15](#).



Enterprise risk management

To manage our company risk, our Enterprise Risk Management department partners with Internal Audit and business units at LPL. They have recently developed an enhanced risk management framework, and, through it, launched a risk identification and risk and control self-assessment program with a broader array of activities as the program matures. These include control attestations, deep dives, thematic reviews, and scenario stress tests. They coordinate and deliver presentations to senior leadership directly, and through the Risk Oversight Committee, on critical risk topics. In addition, they administer the Issues Management process and provide regular metrics and reporting to senior leadership, risk owners, and the Board Audit Committee.

In addition to our Enterprise Risk Management department, Compliance, Legal & Risk coordinates whistleblower monitoring, regular firm-wide top-down anti-bribery and anti-corruption risk assessments, and compliance risk assessments. Further, the Finance department is responsible for the management and measurement of risks related to third parties with whom LPL does business. Due diligence, financial analysis, and forward-looking measures of financial strength and sustainability play a crucial role in our extensive research process.

Fair labor practices

Human rights and fair labor practices are essential in a safe and equal workplace, and we are committed to respecting and upholding them at our business and throughout our supply chain. Our fair labor practices and policies are supervised by our management committee, comprising all of our managing directors and our CEO, and can be found within our [Code of Conduct](#) and [Human Rights Statement of Principles](#). These policies promote, and are applied in a manner consistent with, the UN Guiding Principles on Business and Human Rights.

We have numerous policies pertaining to fair labor, including but not limited to Arbitration of Employment Disputes, Complaint Procedures, Equal Employment Opportunity, Compensation, Standards of Conduct, Solicitations, Collections and Petitions. Additionally, we have specific policies and commitments regarding overtime work, minimum wage, and contractors/temporary workers. Our minimum wage is \$20 per hour, exceeding applicable state and federal wage minimums. It is mandatory for all employees to complete trainings on preventing workplace harassment, maintaining respect in the workplace, and how to report and escalate concerns. In 2021, we saw 100% participation in preventing workplace harassment training.

If there is a violation of fair labor, employees, advisors, and others can escalate concerns through a variety of avenues including the Whistleblower and Integrity Hotline, managers, the Human Resources department, and regular anonymous organization and department engagement surveys. For concerns regarding employee workplace issues, the Employee Relations department responds; and for advisor concerns, the Customer Care department has an Advisor Behavior Escalation protocol in place and an Advisor Relations team. The Legal department also has an Investigations department that conducts investigations into possible legal, regulatory or policy violations committed by employees or advisors.

Fair labor topics are reviewed by both the management committee and the board on a regular basis. The management committee discusses current fair labor issues and reviews longer-term trends and areas of concern annually. The board also reviews issues annually and provides feedback on practices, policies, and trainings. In 2021, we had no reported instances of illegal discrimination in our workforce and workplace.

Our focus on human rights and fair labor extends through our supply chain. Please see [page 25](#) for more detail on our supplier initiatives.

RESPONSIBLE SOURCING

We are committed to responsibly managing our supply chain by implementing ethical sourcing practices and delivering sustainable products and services for our business.

This approach supports both our business and the communities we live and operate in. Led by our head of strategic sourcing, our Finance team manages LPL’s sourcing and procurement strategy, working with more than 2,900 suppliers. Our suppliers still face challenges from the impacts of COVID-19; we continue supporting their access to additional funding through our dedicated [CARES Act website](#).

Our supply chain mission

Deliver sustainable, ethical practices and leadership to enable the selection of external partners to drive the best service, quality, and value for LPL while appropriately mitigating risk

Provide leadership to our business partners through LPL’s center-led Vendor Management Program to ensure that any contractual and performance risks are effectively mitigated

Drive operational excellence through management of the requisition, contracting, payment processing, and associated systems

Protecting human rights

It is imperative that our business functions and relationships don’t violate human rights, and we have outlined policies and practices to mitigate such risks. During our vendor selection process, we screen our suppliers for practices that are consistent with our values and expectations, and require a screening of their own to avoid modern slavery and human trafficking within their business. This year we implemented a new supplier risk platform that, among other benefits, makes it easier to manage supplier performances and complete vendor screenings, and provides capabilities for vendors to maintain their own information.

Our [Vendor Code of Conduct](#), which aligns closely with our [Human Rights Statement of Principles](#) and [Code of Conduct](#), outlines our expectations for our suppliers to conduct their business ethically, commit to human rights, pursue environmental sustainability and stewardship, and promote DEI. Our Vendor Code of Conduct applies to all LPL vendors, any LPL vendor subcontractors, and business partners; it is expected to be communicated and upheld throughout their operations and supply chain.

Partnering with diverse suppliers

In addition to incorporating diversity and inclusion with our own employee base, we believe it’s essential for us to incorporate it within our value chain, so we seek out companies that exhibit these values and work with them to help meet our sourcing needs. As part of this effort, we actively seek opportunities for minority-, women-, and veteran-owned businesses, and encourage vendors to include

Diversity in supply chain



and promote such businesses in their own supply chains. In partnership with a third-party, we recently completed our first diverse supplier assessment, and found that of the approximately 2,900 LPL suppliers, roughly 12.5% are women-, minority-, veteran-, and disabled-owned businesses, or a disadvantaged business enterprise.¹ We are committed to diversifying our supplier base and have begun analyzing and exploring opportunities to partner with and support a diversity of suppliers.

1. Thirteen indicators 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 Colleges and Universities / Minority Institution, 8A, Small Disadvantaged Business, Alaskan Native Corporation, Certified Small Business, Airport Concession Disadvantage Business Enterprise

PUBLIC POLICY AND ADVOCACY

We are committed to protecting access to financial advice for all Americans. As such, we are active participants in the political process, and we aim to be a thought leader and an effective advocate across our six key policy areas:

- Preserving and enhancing retirement security
- Protecting our financial professionals' independent contractor status
- Fostering diversity, equity, and inclusion in financial services
- Promoting thoughtful data security and privacy legislation
- Advancing solutions to protect senior investors
- Ensuring the success of a harmonized best interest standard

Additionally, we advocate on issues that matter the most to the company, employees, our advisors, and their clients. This includes issues brought on by COVID-19, as it relates to the future work environment, as well as regulatory policy and legislative topics that are prioritized by Congress and this administration.

Acting as a thought leader, our Government Relations team, a part of the Compliance, Legal & Risk department, leads our public policy efforts by monitoring and responding to legislation and regulations that may affect our business.

The LPL Political Action Committee (PAC) enables the Government Relations team to further our federal advocacy efforts. The PAC is bipartisan, governed by bylaws, and includes LPL advisors and employees as members. A board of directors, consisting of senior leaders from across the firm, oversees the PAC while LPL's Advisor Council also provides feedback and advocacy support. The PAC board of directors has final approval over the PAC budget, including recipient members of Congress and candidates, and the overall PAC strategy. Further, the LPL board's Nominating and Governance Committee receives an update from Government Relations on advocacy activities and the PAC once a year for additional oversight.

LPL's total annual lobbying expenses were \$828,329 for 2021. An additional \$348,000 of PAC funds were spent on political donations. Please see our [2021 PAC Annual Report](#) for more information on selection method and political spending.



INDEPENDENT CONTRACTOR CLASSIFICATION CAMPAIGNS

Many of LPL's affiliated financial professionals are independent contractors. This allows them to be small-business owners and entrepreneurs, setting the strategic direction for their business and having responsibility for day-to-day management. Recently, policymakers have begun to scrutinize worker classification and the ways that workers qualify to be considered an independent contractor under federal and state law.

When Congress reintroduced the Protecting the Right to Organize (PRO) Act in early 2020, and the bill was under consideration by the House, LPL mobilized our advisors to participate in grassroots campaigns to contact their elected officials urging them to protect the independent contractor status for financial professionals. Similarly, as a result of our grassroots campaign, when the Department of Labor was reviewing worker classification status, LPL advisors sent thousands of letters to the department during the notice and comment period. This showed the industry speaking with one collective, unified voice and was an important factor in preventing changes to worker classification laws and regulations.

CYBERSECURITY AND DATA PRIVACY

For LPL, information security and privacy efforts are essential to protecting and safeguarding the information of the company, business partners, advisors, investors, and employees.

We are committed to providing industry-leading management of customer, advisor, and employee data. Our Cybersecurity organization comprises more than 100 experienced professionals, and has an annual budget of nearly \$40 million.

How we use, collect, and safeguard data

Our data-handling practices meet the stringent standards of the Gramm-Leach Bliley Act and the regulatory expectations of the financial services industry. By the nature of our business, data is typically collected directly from the individual investor by their financial professional during account creation. Our use and sharing of this data is strictly limited by our regulatory obligations, which is communicated to clients at account creation and annually thereafter. We employ extensive physical, technological, and procedural security controls to safeguard the valuable data entrusted to us by our stakeholders. More information can be found in [How LPL Financial Secures Your Information](#).

Governance of cybersecurity and data privacy

Our chief information security officer leads all information security activities, including establishing and overseeing separate teams for distinct cybersecurity functions and risks:

Security Operations	Monitors our systems for security incidents
Identify and Access Management	Manages user access across employees, advisors, and end investors
Security Architecture	Integrates and builds cyber defenses for new digital solutions being added to LPL's platform
Technology Risk and Advisor Security	Tests existing defenses for cybersecurity vulnerabilities



Our chief privacy officer leads all data privacy activities including:

- Privacy incident handling
- Data subject access requests
- Vendor and third-party data sharing
- Privacy compliance
- Privacy counseling

LPL's chief privacy officer manages a dedicated privacy team that is aligned with our information security practices, and is responsible for advising the firm about the implementation of data privacy and security measures. These measures serve to meet ever-changing regulatory and industry requirements to protect the privacy of our stakeholders' data. Any potential compromises of personal information are required to be immediately escalated to the privacy team in order to assess regulatory requirements and protect against consumer fraud.

Ensuring cybersecurity and data privacy

One of the cornerstones of our security and privacy activities is our policies, starting with the Privacy Policy. It lays out the types of data our stakeholders have entrusted to us and outlines our commitment to collect, use, and share that data in alignment with accepted standards. In support of this commitment, we have also developed several internal policies that document our standards for data use:

- **Home Office Security Policy:** Defines access and data use standards for LPL employees.
- **Branch Office Security Policy:** Defines access and data use standards for LPL's advisors. These standards help protect the personal information of our stakeholders by preventing potential security incidents.
- **Supplier contracts:** Our engagement agreements are required to include our "System Security and Privacy Protocols and Guidelines," requiring all vendor partners to comply with our data privacy and cybersecurity policies.

In accordance with our policies, we manage our program in alignment with the framework set out by the National Institute of Standards and Technology's Cybersecurity Framework (NIST CSF), a leading standard for cybersecurity. Thanks to these practices and our robust cybersecurity and data privacy policies, we did not experience any material data security incidents that required breach notifications in 2021.

We also have a Compliance, Legal & Risk regulatory team that oversees and responds to government data requests and audits, on behalf of the firm, by coordinating the reviews and documentation with various departments. In addition, we have a regulatory team within our CARE service department that handles trade reporting to regulators, and a team within the Finance department who also provide reporting to regulatory agencies.

Many of our additional data protection measures and resources can be found in our [Consumer Privacy & Security Notice](#) webpage.



PRODUCT RISK GOVERNANCE

We have built a strong investment diligence and screening process to provide advisors and their clients with a broad array of trustworthy products and services.

Our Product Risk Management department, working closely with the Investment Products Management team, seeks to detect, evaluate, and mitigate product risk by monitoring the entry of products into the LPL system, vetting new products from a business and regulatory perspective, and monitoring the ongoing oversight of approved products. The department partners closely with various teams at LPL to evaluate and implement the controls that make up the Product Risk Governance Framework and hosts ongoing training in webinars, events, and written communications, on specific LPL products and platforms.

The Product Review Committee and independent review processes consider historical performance, relevant market risks, customer complaints, credit ratings, and other relevant

financial metrics and governance considerations in deciding whether to approve a product for sale at LPL. The Product Review Committee also has the authority at any time to limit or end sales of any product that has been identified as potentially harmful to investors or clients. Please see our [Product Risk Governance Policy](#) for more information on our commitment and processes on product risk assessments.

Customer complaints are handled specifically by our Early Dispute Resolution department in the Legal department. Complaints are reported to LPL in a variety of ways, through financial professionals, supervisors, management, and the [Whistleblower and Integrity Hotline](#). The Early Dispute Resolution department works with customers and advisors to log, investigate, and resolve all complaints and inquiries.



SUSTAINABLE INVESTING AT LPL

We endeavor to provide our advisors and their clients a diverse selection of products and insights to support competitive, risk-adjusted returns. With sustainable investing we continue to build on our traditional, robust investment vetting and research with an increased focus on integrating ESG risk and opportunities into the investment processes.



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.

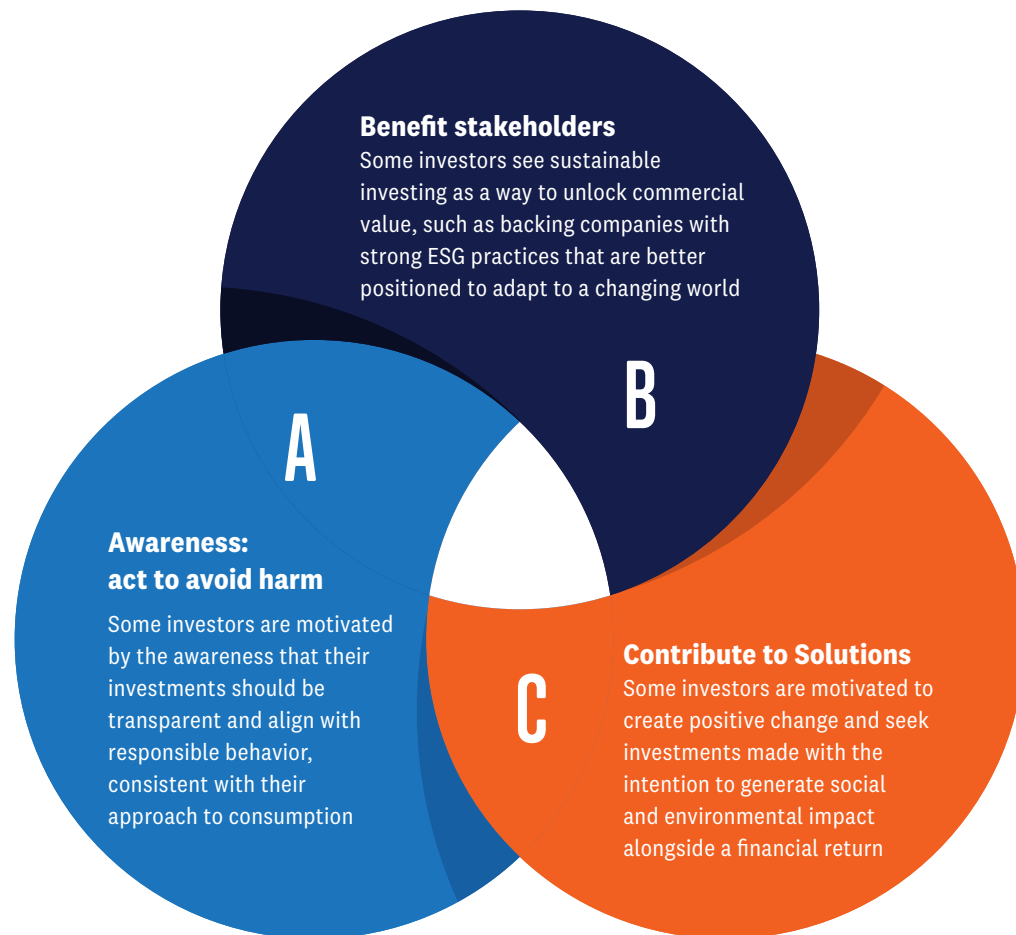
OUR APPROACH TO SUSTAINABLE INVESTING

Our mission for sustainable investing is to facilitate advisor adoption of sustainable investing products while balancing strong risk management and advisor autonomy.

This includes evaluating all new and existing products against criteria outlined in our Sustainable Investing Policy, providing recommendations and centrally managed strategies for our advisors to leverage, and supporting decision-making through access to a diverse set of financial resources and metrics.

To help align investors’ motivations, sustainable investing methods, and expected outcomes, LPL promotes the awareness, benefit, and contribute—or A-B-C— framework.

Awareness, Benefit, and Contribute (A-B-C) framework



EDUCATION

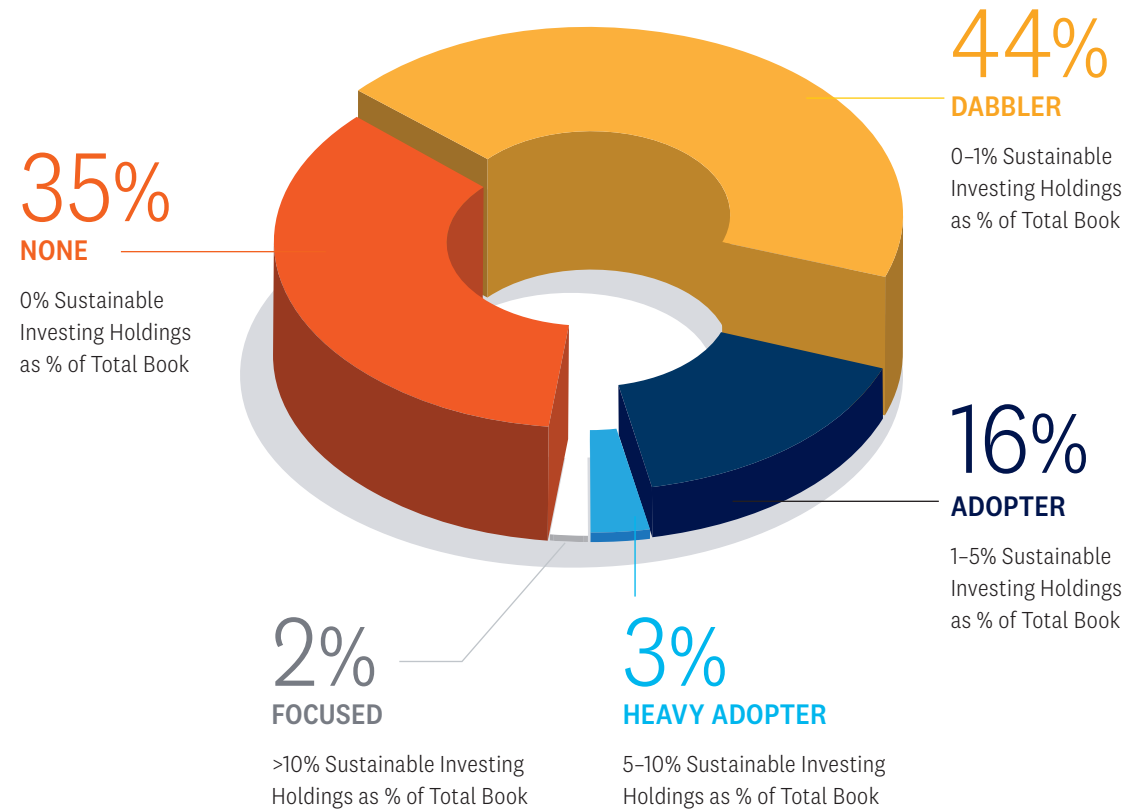
We strive to support our advisors through various stages of sustainable investing knowledge and maturity with resources, education, and support.

Our online learning modules and detailed guidebooks provide information from sustainable investing basics to engaging with clients and reporting on performance. A first wave of advisors has already completed our recently launched Sustainability Investing Fundamentals course, and we're looking forward to continuing to support each advisor on their sustainable investing journey.

In addition to online courses, we enable advisors to engage with peers and experts through our LPL Sustainable Investing Study Group, which has grown from 25 to nearly 500 since it launched in 2019. Hosted by LPL and available to all LPL financial professionals, the quarterly meetings provide a forum for the exchange of sustainable investing best practices and opportunities to network with and learn from industry experts, and offer concrete steps to implementing sustainable investing strategies in investment portfolios.

To tailor resources to the needs of our advisor population and track the uptake of sustainable investing, we measure the percent of LPL advisors who have sustainable investments in their total book year over year. About two-thirds of LPL advisors have at least one sustainable investment, while nearly 21% have at least 1% of their entire book in sustainable investments—a 4% increase from 2020.

Sustainable investing advisor profiles



PRODUCTS AND SOLUTIONS

Across the financial sector, sustainable investing strategies are growing exponentially. At LPL, this is reflected in net new assets in sustainable investments more than doubling to \$770.6 million, compared with 2020.

Nearly two-thirds, or 12,326 LPL financial advisors, collectively have nearly 400,000 clients who have invested nearly \$11.5 billion across these sustainable investing products as of December 31, 2021. That more than doubles the amount invested in sustainable funds for the second year in a row. As interest among our advisors and their clients continues to grow, we meet their needs through research, insights, and products. We provide access to exchange-traded funds (ETFs), mutual funds, separately managed accounts (SMAs), and turnkey Model Wealth Portfolios (MWP). Established in 2021, our Sustainable Investing Policy covers all sustainable investing funds recommended by LPL Research, outlining our sustainable investing approach, requirements, training, and implementation expectations.

LPL leverages its sector expertise and resources to provide in-depth research on sustainable investing funds to our advisors. Conflicting methodologies from data providers and the increased size of datasets make it challenging for advisors to navigate and understand sustainable investing options. Our Research team helps our advisors by narrowing the larger universe to 20 recommended sustainability funds and identifying a list of recommended third-party asset managers that are committed to the principles of sustainable investment and are incorporating ESG integration into their investment process. We prioritize clear communication with advisors so they can make informed decisions based on risks or personal values.

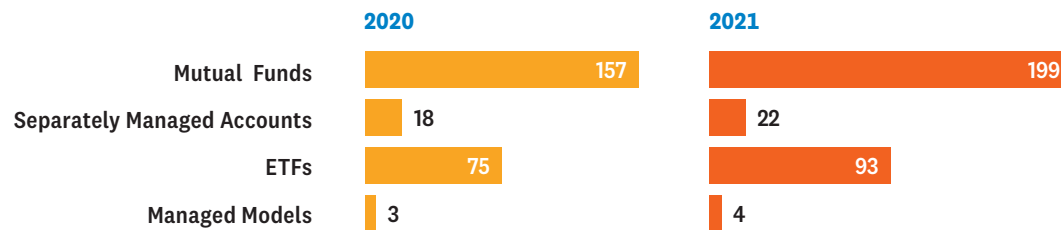
LPL offers four sustainable MWP models that provide a spectrum of options for advisors and clients to consider: Calvert, DFA, and LPL Research Mutual Fund Model and ETF Models. These models, while focused on strong financial and ESG performance, represent different sustainable investment strategies spanning asset classes, industries, market cap, and risk profile, and overall provide a broad range of exposure for investors to select from. At the end of 2021, these four models grew 74% to \$1.6 billion in AUM, or 14% of all sustainable investing mutual funds/ETFs.

80%
growth year over year in the LPL Research Sustainable Investing Model



Sustainable investing mutual funds

LPL continues to increase the number of sustainable investing mutual funds, SMAs, ETFs, and model portfolios.



See Disclaimer on [page 65](#) for additional information.

The Sustainable Investing team cultivates the products on its recommended list and in its sustainable MWP through several stages. First, the team seeks to identify products that are intentionally pursuing sustainable investing strategies and have stated that in the prospectuses of their products. From that subset, the team performs exhaustive research, adding select products to our recommended list and an even more concise list to our MWPs.

LPL is developing strategies to enhance both our research and product access in the coming years to support our advisors, clients, and society. We seek to expand our sustainable product access by including micro-themes such as climate investing, creating diverse education resources to help advisors become more focused on sustainable investment, and strengthening our company-wide sustainable investing operational and governance model and guiding principles.

LPL sustainable investing portfolios

MWP Sustainable Investing Mutual Fund Model

Offers broad exposure to the spectrum of sustainable investing through investment methods such as: integrating ESG risks and opportunities in the investment decision-making process, engaging in dialogue with investee companies to improve their ESG performance, and contributing to solutions through approaches such as community investing

MWP Sustainable Investing ETF Model

Offers broad exposure to the spectrum of sustainable investing that can be implemented in a passive rules-based way, such as negative screening and thematic strategies

See Disclaimer on [page 65](#) for additional information.



ENVIRONMENTAL STEWARDSHIP

The environmental footprint of our business operations largely consists of the emissions associated with business travel and the emissions, water, and waste impacts of our offices. We are committed to managing the impact our business has on the environment, as well as understanding and managing our environmental risks and opportunities.

Our work is underpinned by our [Environmental Stewardship Policy](#). The policy dictates our commitment to environmental stewardship, the governance and tracking of our performance, and the actions we are taking to reduce our impacts. We continue to improve the measurement and disclosure of our environmental data to improve our environmental performance over time.



ENERGY AND EMISSIONS

We recognize that our energy usage and business operations contribute to climate change.

Our environmental programs and progress are overseen by our chief human capital officer, and the senior vice president and vice president of Corporate Real Estate. Each year, they look to reduce energy use and emissions in ways that make sense to our business. We are in our third year of measuring and reporting our GHG emissions, and building on our 2019 and 2020 inventories, our 2021 inventory includes the addition of our Overland Park, Kansas office. Even with the addition of our new office, and our partial return to the offices, our Scope 1 emissions only increased 34%, and our Scope 2 emissions decreased 13%. For Scope 3, our emissions decreased 4% due to a continued reduction in air travel.

Because energy is one of our biggest operational expenses, we continue to invest in energy conservation programs across

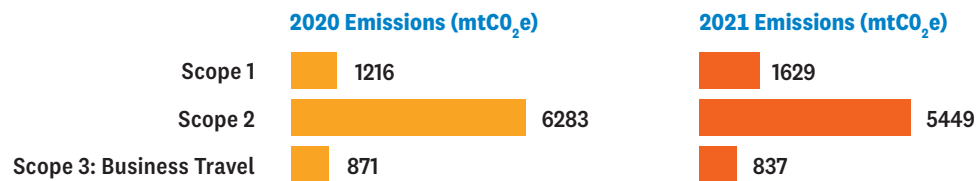
our offices to limit our use. For example, our Fort Mill office identified and implemented an energy management system that further automates the HVAC and lighting systems to conserve energy usage during unoccupied hours. We also leverage data from energy management systems across our facilities to look for opportunities for energy savings. When selecting buildings, we prioritize designs that lead to strong energy performance: Three of our office buildings—Boston, San Diego, and Fort Mill—are LEED certified.

We also look for ways to power our buildings more efficiently. Our San Diego office uses energy-efficient natural gas fuel cells to generate electricity for the buildings providing energy security and enabling LPL to feed excess power back into the grid. Upgrades to components increased efficiency of the fuel cells from 50% to 90% in 2021. The San Diego office saw an overall 42% decrease in grid electricity used between 2020 and 2021. We are also looking into options to procure renewable energy at our office locations to further decrease our emissions. Please see the data appendix for a full breakdown of our energy and emissions.



Three of our office buildings are LEED certified

Our carbon emissions*



* We are in the process of improving our data collection processes to capture a more complete picture of our impacts moving forward. Please see the data appendix for our source data.

MATERIALS AND WASTE

LPL has been managing the responsible sourcing, use, and recycling of materials for its offices for years. We seek to decrease our overall waste, with a dedicated focus to drive efforts to reduce paper use across the firm.

Our Procurement team looks to buy environmentally friendly products for day-to-day upkeep of facilities. We measure this as the percentage of our janitorial supply spend that has a lesser or reduced effect on human health and the environment when compared with competing products and services that serve the same purpose. As we moved back into offices, our focus was on ensuring the health and safety of employees during an ongoing pandemic. That said, our janitorial supply spend on environmentally friendly products was still more than 50% at our Fort Mill office and 88% at our San Diego office.

Although COVID-19 changed our ways of working, we continue to provide battery, eye glass, coffee pod, and print cartridge recycling onsite. All of our sites offer recycling (either through separate or single stream waste management), and our Fort Mill office provides compost stations. In each office, we provide water refilling stations, and look for ways to reuse and repurpose objects such as through our office supply collection program where we collect unwanted office supplies and redistribute them to other employees as needed. Moving to remote work due to COVID-19 enabled us to accelerate efforts to transition online, and as we emerge from the pandemic, we continue to adjust our waste programs with more flexible work arrangements leading to better environmental performance.

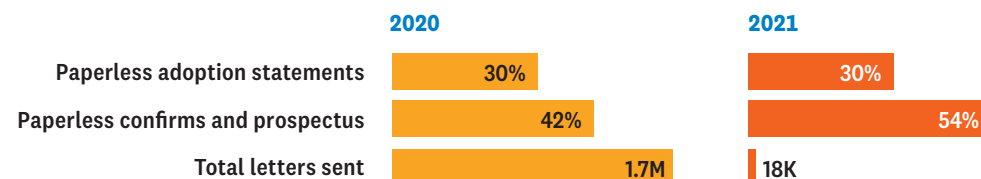
Our Technology department partners with Avritek to purchase LPL's old electronic equipment. The proceeds then go to the LPL Foundation. In 2021 they donated \$87,000 as a result of our recycling efforts.

We also continue to digitalize our day-to-day operations and communications with employees and advisors to decrease our paper footprint. We launched paperless client letters last

year, and this year have started launching paperless tax forms. Paperless adoption for overall statements held steady at 30% and for paperless confirms and prospectuses increased to 54% from 42%. When we cannot move to paperless, we continue to improve the efficiency of our operations through various approaches including the elimination of redundant reports and the consolidation of multiple notifications into a single document. We have saved more than \$9.3 million through these various initiatives since 2020.

We also look to limit deforestation through the purchase of Forest Stewardship Council (FSC) certified paper. In 2021, 90% of paper used for all marketing and web-to-print orders was FSC-certified and going forward we plan to offer FSC-certified paper for all our advisors and corporate offices.

Paperless adoption rates for statements, prospectus and trade confirms



EARTH DAY 2021

Given the impact of COVID-19, employees at our Fort Mill and San Diego offices participated in drive-through recycling fairs on Earth Day 2021.

Employees dropped off hard-to-recycle home waste including batteries, electronics, eyeglasses, and papers with personal information to be shredded. We're looking forward to continuing to engage employees on sustainability topics both in the office and at home.



CLIMATE RISK

At the board level, the Nominating and Governance Committee oversees our climate-related risks and opportunities.

We already have in place several programs through the efforts of our Business Continuity and Recovery team (BCR) to protect the resiliency of our operations:

- **Business Continuity and Recovery Event Playbook:** Our event playbook documents procedures and accountability for different LPL teams during different emergencies.
- **Advisor emergency plan support:** Our BCR team helps advisors develop and implement emergency response plans. Furthermore, we provide data backups for our advisors so that if their local operations are impacted, their clients' information is secure and accessible.
- **LPL Alert:** Communication during an emergency event is critical, which is why we maintain LPL Alert, a mass communication tool that can text, call, or email our employees with real-time updates during an emergency.
- **Diversified locations and remote work:** Our core resiliency measure is our geographically diverse office footprint. According to the U.S. Federal Emergency Management Agency National Risk Index, none of our offices are in a county that has the highest category of risk for natural hazards, while the geographic distance between our offices reduces the likelihood that more than one of our

offices would be impacted by the same event. Furthermore, our offices are equipped to manage additional operational load if one is taken offline, and our employees can work remotely if our offices become unavailable, especially after implementing stronger policies and practices resulting from the impacts of COVID-19.

- **Backup generators:** To help mitigate the impacts of adverse weather events, all of our offices are equipped with backup generators. Furthermore, given the increase in remote work during COVID-19, we are currently reviewing and identifying critical personnel who should be equipped with generators in their homes.
- Additionally, we have conducted a third-party gap analysis on our current climate-related work and we are building a two-year roadmap to advance our climate reporting, measurements and goals. We are currently working through the recommendations from the Task Force on Climate-Related Financial Disclosures. This includes embedding climate-related risks into our enterprise risk framework, performing scenario analyses to understand the areas of LPL's existing risk profile that could be vulnerable to adverse climate change scenarios, and setting targets to manage and mitigate climate risks. Our goal is to release a climate report in 2023.



SUPPORTING THE COMMUNITIES WHERE WE OPERATE

Our focus is on improving the competitive context where we have larger employee work locations. As part of our commitment to equity, our core community initiatives center on advancing the opportunity for economic and social well-being of underserved populations by supporting initiatives to increase the number of new entrants to the financial services industry and building the financial capabilities of small-business owners. In addition, our employees provide volunteer hours and skills-based volunteering in their local communities, and we provide financial support through our corporate charitable programs and the LPL Financial Foundation.



Our Work Contributes to these SDGs:



INVESTING IN OUR COMMUNITIES

LPL Financial Foundation

In 2021, the LPL Financial Foundation refined its strategic focus areas to increase community impact more effectively by improving the economic and social well-being of underserved populations through various career development plans and small business technical support. The goals of our programs are to increase diversity in the financial services industry and improve the financial capabilities of small-business owners. With its new focus areas, the foundation launched two strategic partnerships:

- **Local Initiatives Support Corporation (LISC)** provides community-based technical assistance to 100 small businesses from underinvested areas in San Diego and Charlotte.
- **American College of Financial Services** awards a minimum of 50 financial scholarships to pursue wealth management designations for career-ready financial services professionals from underserved communities.

The LPL Financial Foundation is a separate legal entity that is governed by a board of directors. While the directors are employees of LPL, they act independent of the company's interests when governing the foundation. The foundation's effectiveness is assessed through our grant review process, in which each community partner submits a grant application that requires programmatic details, goals, methods for measurement, and financial records for our review. The strategic partners meet with LPL quarterly to provide an update on accomplishments achieved as a result of the grant from the foundation.

Total Amount Donated to Community Groups

\$1,701,843

in Foundation gifts, which included:

\$480,000

in strategic grants

\$419,672

through the advisor matching gift program

\$637,019

in general partner grants

\$105,152

through the employee matching gifts program

\$60,000

in disaster relief

VOLUNTEERING IN OUR COMMUNITIES

Every year, employees are allowed 16 hours of paid Volunteer Time Off to work at a nonprofit organization of their choosing on a service or volunteer project. In 2021, approximately 11% of employees used some of this benefit.

We held various volunteer programs and events this year, including:

- **May Serve Days:** Nearly 400 employees reported more than 1,700 volunteer hours.
- **GIVEMBER:** A campaign from November 29 to December 10 that promoted volunteer activities such as creating care packages for seniors and writing notes of gratitude to military service members. Nearly 250 employees reported 1,200 service hours over the course of the two weeks.
- **Acts of Kindness program:** Allows Employee Resource Groups to submit a one-time grant request between \$250 and \$1,500, to use within the calendar year in direct support of a volunteer project with a 501(c)(3) nonprofit organization that serves members of their community.

Employee volunteering is overseen by the chief human capital officer, senior vice president of Employment Brand Management, and senior vice president of Community Relations. We measure the success of our program through employee and community partner feedback and satisfaction, number of hours volunteered, and number of employees volunteering. Due to COVID-19, our goal to have more volunteer hours than in 2020 was difficult to accomplish. As

a result, we aimed to find innovative ways for our employees to connect to our communities through a virtual or hybrid environment. We totaled 8,008 volunteer hours in 2021 compared with 5,995 hours in 2020, which was also lower due to COVID-19.

COVID-19 updates

In response to the impact of COVID-19 on individuals, the foundation provided a \$100,000 grant to the Emergency Assistance Foundation in 2020 to establish the LPL Care Fund. This employee-to-employee crisis relief fund was launched in 2021, and more than \$16,000 in relief grants have been provided to LPL employees. At the height of the outbreak in India, the LPL Financial Foundation made a \$20,000 contribution to Doctors Without Borders to support the in-country relief efforts. The foundation has continued to adjust its giving in the wake of COVID-19 by providing ongoing and flexible support to organizations that otherwise would have been removed from the foundation's portfolio. Considering the economic hardship and ensuing food insecurity caused by COVID-19, the foundation board approved \$35,000 in grants at the end of the year for seven food banks throughout the country.





VOLUNTEER STORY

LPL's Hispanic Organization for Leadership and Achievement Employee Resource Group mentored 35 graduating seniors at Crawford High School in San Diego during the 2021 school year. Through the mentorship program, LPL employees provided guidance on topics like navigating the college application process, preparing for academic success, relationship building, and general life skills. To close the year out, the mentors joined the mentees for a luncheon at their high school, which included in-person networking and discussions on living life as part of a diverse community. The students remained in touch with the mentors after the program ended, sharing news of college acceptances and future plans.

Financial literacy

We believe that a solid financial understanding enables customers to make informed financial decisions and improve their financial well-being for them and their families. We support programs and initiatives on financial literacy from a young age, and provide free tools and resources for anyone to use.

We recognize that even though we are a financial services firm, our employees also need continued education and support to make informed financial choices. The LPL Total Rewards team offers financial wellness education to employees in partnership with several Employee Resource Groups. The African American ERG, Young Professionals ERG, and the HOLA ERG each hosted summits via webinars with different LPL advisors on various financial wellness topics. The African American ERG extended its reach beyond employees and conducted a "Teen Summit" where an LPL advisor taught the participants the basics of investing.

We also partner with nonprofits to provide financial training and resources to communities around the United States. Several leaders from LPL facilitated Rock the Street, Wall Street at high schools in San Diego, Charlotte, and Kansas City. The financial and investment

literacy program is designed to spark interest in finance careers for a diverse population of high school girls. The involvement spans a full school year, and LPL leaders participated in several virtual field trips and mentoring sessions.

The LPL Financial Foundation continued to partner with Junior Achievement in the Charlotte metropolitan area and San Diego County to deliver in-person and virtual financial literacy programming. Centering on middle and high school students from low-middle income areas, Junior Achievement's curriculum helps students gain the skills necessary for economic mobility, emphasizes the importance of education, and prepares them for future employment.

Along with the programs offered to employees, advisors, and communities, we provide several [free financial tools and resources](#) on our website including:

- Savings Calculator
- Retirement Calculator
- Fund Analyzer
- College Savings Calculator

SERVICE AFFORDABILITY

To address unaffordable and unequal access to investing and financial planning, we re-evaluate the cost of our products and services regularly and adjust where possible to increase access for individuals and small businesses.

In addition to two current products, Guided Wealth Portfolios and Small Market Solution, in 2021 we expanded access to our Optimum Market Portfolios platform.

Guided Wealth Portfolios

Guided Wealth Portfolios is a financial advisor-intermediated, online, cost-effective investing opportunity. It requires only a \$5,000 account minimum, which allows people at a younger age or lower income range to get started on their financial journey. Despite the low minimum investment, these investors have full access to an LPL advisor. In addition, these clients have access to cost-efficient exchange-traded fund models managed by LPL Research and automatically invested and rebalanced according to their specific goals.

Small Market Solution

Our Small Market Solution provides an affordable way for businesses of all sizes to offer retirement plan services and help employees to save for and invest toward a secure future. If the plan client is subject to the Employee Retirement Income Security Act (ERISA), we serve as the ERISA Section 3(38) investment manager and assume discretion

for determining the plan's investment menus, helping to support investment fiduciary responsibility and legal liability under ERISA for the plan sponsor and for ongoing plan consultation assistance.

In addition, LPL's advisors are available to host employee meetings to help plan participants understand their retirement plan investment options, which appeals to smaller businesses that may otherwise believe they could not offer this level of support to their employees.

Optimum Market Portfolios

Our Optimum Market Portfolios platform provides investment strategies designed to help investors pursue their goals by managing risk, offering services by professional money managers, and providing investment research. In August 2021, we lowered the investment minimum on our Optimum Market Portfolios platform to \$1,000 from \$10,000, expanding the range of clients advisors can offer services to and specifically providing access to professionally managed asset allocation models for those with lower investable assets. We have also waived confirm fees for any client account with systematic contributions in place, which has lowered the barrier to continuing to invest once someone has started.

See Disclaimer on [page 65](#) for additional information.



APPENDIX

- Consolidated Data Sheet
- EEO-1 Disclosures
- Global Reporting Initiative and Sustainable Account Standards Board Disclosures
 - GRI Content Index
 - SASB Content Index
- Disclaimer

CONSOLIDATED DATA SHEET

LPL'S BUSINESS	2020 Value	2021 Value	% Change
Number of client accounts	6,000,000	7,200,000	20%
Net revenue (USD)	\$ 5,871,640,000	\$ 7,720,830,000	31%
Number of advisors	17,300	19,876	15%

Note: Figures may not total to 100% due to rounding

SOCIAL	2020 Value	2021 Value	% Change
Headcount			
U.S. headcount by employment status			
Total headcount	4,879	6,005	23%
% full-time employees	97%	99.5%	3%
% part-time employees	3%	0.5%	-3%
Diversity and inclusion representation¹			
Director			
% of directors that are women	33%	33%	0%
% of directors represented by ethnic or racial diversity	11%	11%	0%
% directors that are women or minorities	44%	44%	0%
Percentage women by level			
VP and above	33%	33%	0%
Middle management	40%	41%	1%
Entry level professionals	51%	57%	6%
Support	64%	62%	-2%
Percent POC by level			
VP and above	23%	23%	0%
Middle management	37%	36%	-1%
Entry level professionals	52%	47%	-5%
Support	60%	55%	-5%

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

CONSOLIDATED DATA SHEET *(continued)*

SOCIAL ¹	2020 Value	2021 Value	% Change
Overall Diversity Figures			
% of employees that are women	46%	48%	2%
% of employees that are ethnic minorities	42%	41%	-1%
% of Asian employees	13%	12%	-1%
% of Black and African American (not Hispanic or Latino) employees	16%	17%	1%
% of Hispanic or Latino employees	8%	7%	-1%
% of Not Specified employees	2%	7%	5%
% of Two or More Races (Not Hispanic or Latino) employees	3%	3%	0%
% of White (Not Hispanic or Latino) employees	54%	53%	-1%
% under 30 years of age	16%	19%	3%
% 30–50 years of age	64%	62%	-3%
% over 50 years of age	20%	19%	-1%
Advisors			
% of investment professionals that are women	17%	17%	0%
Initiatives			
Number of employee resource groups (ERGs)	11	10	-9%
Number of employees in ERGs	1,510	1,415	-6%
Retaining talent			
Voluntary attrition rate	7%	14%	7.1%
Training and professional development			
Number of advisor hours spent participating in LPL training programs (mandatory business ethics and compliance training)*	53,143	42,515	-20%
Financial professional hours in training*	90,560	74,715	-17%
Advisor training satisfaction rate	97%	96%	-1%
Number of employee hours spent participating in LPL training programs	92,607	123,881	34%
Employee training satisfaction rate	88%	91%	3%
% of employees received career and performance reviews	97%	95%	-2%

Note: Figures may not total to 100% due to rounding

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

*LPL reduced the number of courses in 2020 as RegBI had required courses in 2020 that were no longer required in 2021

CONSOLIDATED DATA SHEET *(continued)*

SOCIAL	2020 Value	2021 Value	% Change
Employee engagement			
Response rate in 2021 Engagement Survey (LPL Lists)	96%	94%	-2%
Favorable responses in 2021 Engagement Survey	79%	77%	-2%
Employee benefits			
% of employee participation in retirement, health and wellness, or other employee benefit programs	99%	99%	0%
% of employees participating in retirement plans	93%	93%	0%
Average employee salary deferral rate ¹	8%	8%	0%
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 ²	8	14	75%
Corporate giving			
Amount contributed to non-profit organizations (USD)	1,770,000	1,701,843	-3.9%
Employee volunteerism			
Number of volunteer hours logged by employees	5,995	8,008	34%
% of employees who used Volunteer Time Off	12%	11%	-1%
Supply chain management			
Number of vendors that predominantly provide services	1,800	2,900	61%
Estimated % of vendors screened for diverse suppliers	10%	10%	0%
% of vendors that are diverse suppliers ³	-	12%	
Diverse supplier spend (USD)	-	\$59,343,000	

Note: Some items that require historic data to calculate are not available and have thus been marked as "-"

Note: Figures may not total to 100% due to rounding

- Employee deferral rate is equal to the percentage of income deferred to LPL retirement plans
- Two of the 14 reports from 2021 are from the same two employees for the same illness/injury
- 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

CONSOLIDATED DATA SHEET *(continued)*

GOVERNANCE	2020 Value	2021 Value	% Change
Business ethics			
% of employees and advisors participating in anti-money laundering and fraud training	100%	100%	-

SUSTAINABLE FINANCE	2020 Value	2021 Value	% Change
Products			
% of ESG funds/ETFs available at LPL as a ratio of the ESG funds/ETFs universe*	96%	96%	0%
Investor commitment			
Number of advisors that have invested (with their clients) in sustainable investments	10,100	12,362	22%
Number of clients with investment in sustainability marked products	155,000	396,566	156%
Percentage of assets managed by advisors (AUM) in ESG funds	0.99%	1.01%	0.02%
Dollars invested in sustainable products (USD)	\$6,900,000,000	\$11,375,400,000	65%

* Rather than focusing on total number of options (which can vary as smaller funds/ETFs are added or closed), we calculated the total AUM of ESG funds/ETFs available at LPL as a ratio of the total AUM of the ESG funds/ETFs universe.

CONSOLIDATED DATA SHEET *(continued)*

ENVIRONMENTAL*	2020	2021	% change
Carbon			
Scope 1¹ Greenhouse Gas (GHG) emissions (metric tonnes CO₂e)			
Fort Mill	33	27	-18%
San Diego	1,146 ⁴	1,553	36%
Boston	-	15	
Fort Mill (Market)	37	34	-8%
Austin ³	-	-	
Overland Park ³	N/A	-	
Total Scope 1 CO₂e emissions	1,216	1,629	34%
Scope 2² GHG emissions (metric tonnes CO₂e)			
Fort Mill	2,087	1,751	-16%
San Diego	589	311	-47%
Boston	46	93	102%
Fort Mill (Market)	199	158	-20%
Austin ³	12	160	
Overland Park ³	N/A	7	
Data Centers ⁵	3,351	2,969	-11%
Total Scope 2 CO₂e emissions	6,283	5,449	-13%
Scope 3 GHG emissions (metric tonnes CO₂e)			
Air & Rail Business travel	871	837	-4%

Note: Some items that require historic data to calculate are not available and have thus been marked as "-"

* We are in the process of improving our data collection processes to capture a more complete picture of our impacts moving forward.

- Scope 1 emission streams include consumption of natural gas, fuel oil, and district cooling
- Scope 2 emissions calculated using WRI GHG Protocol's Location-based Method
- Our Austin and Overland Park offices were moved into in 2020 and 2021 respectively and consequently have gaps in data from the last two years. Percentage changes not included due to 2020 being an incomplete year of occupancy.
- Restated from prior year based on omitted data
- Scope 1 emissions from data centers are excluded as they represent immaterial amounts. Electricity utilized at our five data center locations is based off of energy usage reports that varied in format and accuracy, contracted power (when actual usage was not available), and an assumed power usage effectiveness ratio (PUE) of 1.8 when PUE was not otherwise available.

CONSOLIDATED DATA SHEET *(continued)*

ENVIRONMENTAL*	2020	2021	% change
Energy			
Grid electricity consumption (kWh)			
Fort Mill	6,155,883	5,684,608	-8%
San Diego	2,604,120	1,507,443	-42%
Boston	192,111	414,593	116%
Fort Mill (Market)	586,152	514,055	-12%
Austin ³	27,356	403,281	
Overland Park ³	N/A	14,572	
Data Centers ⁵	8,891,770 ⁴	8,391,313	-6%
Total grid electricity consumption	18,457,392	16,929,865	
Energy generated by onsite fuel cells (San Diego office)	2,106,451	3,120,989	48%
Total grid electricity consumption	20,563,843	20,050,854	-2.49%
Other fuel: Total natural gas usage (Fort Mill and San Diego locations only)(therms)	221,928 ⁴	292,125	32%
Number of LEED certified office buildings	3	3	0%
Water			
Amount of water withdrawn (non-potable) (gallons)			
Fort Mill	1,006,272	658,265	-35%
San Diego	4,299,803	3,448,200	-20%
Boston	-	-	
Fort Mill (Market)	125,880	-	
Austin ³	-	487,619	
Overland Park ³	N/A	-	
Total water withdrawn	5,431,955	4,594,084	

Note: Some items that require historic data to calculate are not available and have thus been marked as "-."

* We are in the process of improving our data collection processes to capture a more complete picture of our impacts moving forward.

3. Our Austin and Overland Park offices were moved into in 2020 and 2021 respectively and consequently have gaps in data from the last two years. Percentage changes not included due to 2020 being an incomplete year of occupancy.

4. Restated from prior year based on omitted data

5. Scope 1 emissions from data centers are excluded as they represent immaterial amounts. Electricity utilized at our five data center locations is based off of energy usage reports that varied in format and accuracy, contracted power (when actual usage was not available), and an assumed power usage effectiveness ratio (PUE) of 1.8 when PUE was not otherwise available.

CONSOLIDATED DATA SHEET *(continued)*

ENVIRONMENTAL*	2020	2021	% change
Water			
Amount of water consumed (potable)(gallons)			
Fort Mill	126,430	111,900	-11%
San Diego	1,137,786	710,313	-38%
Boston	-	70,272	
Fort Mill (Market)	-	11,900	
Austin ³	-	24,356	
Overland Park ³	N/A	1,415	
Total water consumed	1,264,216	930,157	
Amount of hazardous wastewater discharged	-	1,286,209	
Amount of other water discharged (San Diego only)	-	2,618,918	
Waste			
Total waste generated (tons)			
Fort Mill	77	33	-57%
San Diego	24	13	-44%
Boston	2	2	0%
Fort Mill (Market)	-	0	
Austin ³	-	1	
Overland Park ³	N/A	1	
Total waste generated	103 tons	50 tons	-51.18%

Note: Some items that require historic data to calculate are not available and have thus been marked as "-"

* We are in the process of improving our data collection processes to capture a more complete picture of our impacts moving forward.

3. Our Austin and Overland Park offices were moved into in 2020 and 2021 respectively and consequently have gaps in data from the last two years. Percentage changes not included due to 2020 being an incomplete year of occupancy.

CONSOLIDATED DATA SHEET *(continued)*

ENVIRONMENTAL*	2020	2021	% change
Total repurposed waste (tons)			
Fort Mill	36	12	-67%
San Diego	32	13	-58%
Boston	1	1	0%
Fort Mill (Market)	-	0	
Austin ³	-	-	
Overland Park ³	N/A	-	
Total waste repurposed	69	27	-61.64%
Composted food waste (tons)	23	1	-95%
Total recycled batteries (lbs)	655	834	27%
Total shredded paper (tons)	69	77	12%
Total waste avoided from water bottles at Fort Mill	87,747 bottles	41,210 bottles	-53%
Paperless initiatives			
% of clients that have opted for paperless statements	30%	30%	0%
% of clients that have opted for paperless confirms and prospectuses	42%	54%	12%
Number of ACH letters sent annually	1,700,000	18,000	-99%

Note: Some items that require historic data to calculate are not available and have thus been marked as "-"

* We are in the process of improving our data collection processes to capture a more complete picture of our impacts moving forward.

3. Our Austin and Overland Park offices were moved into in 2020 and 2021 respectively and consequently have gaps in data from the last two years. Percentage changes not included due to 2020 being an incomplete year of occupancy.

EEO-1 DISCLOSURES

This chart reflects the composition of our workforce in 2021 in categories prescribed by the U.S. Equal Employment Opportunity Commission for purposes of the federal EEO-1 report. To read more about our diversity progress please see the [Diversity, Equity, and Inclusion](#) section of this report.

RACE/ETHNICITY - SELF-IDENTIFIED							
	Executive/ Senior Level Officials and Managers	First/Mid-level Officials and Managers	Professionals	Sales Workers	Administrative Support Workers	Operatives	Total
American Indian or Alaska Native (Not Hispanic or Latino)	0	3	9	0	4	0	16
Asian (Not Hispanic or Latino)	1	266	378	10	94		749
Black or African American (Not Hispanic or Latino)	1	136	706	7	189	1	1,040
Hispanic or Latino	1	110	229	10	62		412
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0	4	11	1	5	0	21
Not Specified	3	65	266	11	55	0	400
Two or More Races (Not Hispanic or Latino)	0	54	110	2	29	0	195
White (Not Hispanic or Latino)	31	1,236	1,526	108	271	0	3,172
Total	37	1,874	3,235	149	709	1	6,005
GENDER							
Female	12	718	1,706	32	434	0	2,902
Male	25	1,154	1,528	117	274	1	3,099

Numbers are based on employee headcount of 6,005 as reported by LPL's Human Resource Information System on 12/31/2021.

GRI CONTENT INDEX

This report covers calendar year 2021 and has started to align with the Global Reporting Initiative (GRI) standard reporting guidelines. The table below shows where you can find the information disclosed for each Standard Disclosure we have fulfilled or partially met. While most information is found in this report, other primary sources include: our 2021 Annual Report, Form 10-K, and 2021 Proxy Statement.

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
GENERAL DISCLOSURES (Core Option)		
102-1	Name of the organization	LPL Financial Holdings Inc.
102-2	Activities, brands, products, and services	[Creating Value, Together]
102-3	Location of headquarters	75 State Street, Boston, MA 02109
102-4	Location of operations	LPL website; locations tab
102-5	Ownership and legal form	2021 10-K Annual Report
102-6	Markets served	[Creating Value, Together]
102-7	Scale of the organization	[Creating Value, Together]
102-8	Information on employees and other workers	[Our Employees and Advisors] [Data Appendix]
102-9	Supply chain	[Responsible Sourcing]
102-10	Significant changes to the organization and its supply chain	In 2021, we: <ul style="list-style-type: none"> Finalized the acquisition of wealth management firm Waddell and Reed and added the firm's Overland Park office.
102-11	Precautionary principle	[Climate Risk] The precautionary principle states that when there is suspected risk of causing harm, protective action should be supported before there is complete proof of a risk. Through our precautionary approach to environmental sustainability and greenhouse gas emissions reduction, we continuously monitor and address the physical risks associated with climate change. Our ESG Steering Committee examines the regulatory landscape for potential risks that may have an impact on business continuity.
102-12	External initiatives	[Supporting the Communities Where We Operate] ; [Public Policy and Advocacy] ; US Forum for Sustainable and Responsible Investment (SIF); UN SDGs, United Nations Universal Declaration of Human Rights; United Nations' Guiding Principles for Business and Human Rights; ILO Declaration on Fundamental Principles and Rights at Work; Forest Stewardship Council; U.S. Green Building Council LEED certifications

GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
102-13	Membership of associations	FINRA/SIP, SIFMA- Securities Industry and Financial Markets Association (the industry’s largest trade group); IRI- Insured Retirement Institute; Association of African American Financial Advisors; ACCP - Associate of Corporate Citizenship Professionals; ASA – 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; Congressional Hispanic Caucus Institute; Congressional Black Caucus Institute; Association of African American Financial Advisors; Consumer Federation of America; 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
Strategy		
102-14	Statement from senior decision-maker	[CEO Letter]
102-15	Key impacts, risks, and opportunities	[Creating Value, Together] ; [Pursuing ESG at LPL] ; [Climate Risk]
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	[Operating with Integrity]
Governance		
102-18	Governance structure	[ESG Governance] , [Governance at LPL]
Stakeholder Engagement		
102-40	List of stakeholder groups	[Stakeholder Engagement]
102-41	Collective bargaining agreements	Not applicable
102-42	Identifying and selecting stakeholders	[Stakeholder Engagement]
102-43	Approach to stakeholder engagement	[Stakeholder Engagement] We meet quarterly with our owners on internal score card initiatives, followed by a quarterly executive team meeting to gain input and then followed by a quarterly nominating and governance meeting, for updates and input.
102-44	Key topics and concerns raised	[Pursuing ESG at LPL]
102-45	Entities included in the consolidated financial statements	2021 10-K Annual Report

GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
102-46	Defining report content and topic Boundaries	[About this Report]
102-47	List of material topics	[Pursuing ESG at LPL]
102-48	Restatements of information	<ul style="list-style-type: none"> Scope 1 GHG emissions and natural gas usage figures for San Diego were restated with more accurate information Electricity use figures for data centers were restated with more accurate information
102-49	Changes in reporting	<ul style="list-style-type: none"> We have added the Overland Park office to this year's report
102-50	Reporting period	Fiscal year 2021
102-51	Date of most recent report	April 2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	[About this Report]
TOPIC DISCLOSURES		
Economic Performance		
201	103-1/2/3: Management Approach	2021 10-K Annual Report
201-1	Direct economic value generated and distributed	2021 10-K Annual Report
201-2	Financial implications and other risks and opportunities due to climate change	[Climate Risk]
201-3	Defined benefit plan obligations and other retirement plans	[Employee health, wellness, and benefits]
Anti-Corruption		
205	103-1/2/3: Management Approach	[Business Ethics]
205-1	Operations assessed for risks related to corruption	[Business Ethics]

GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
205-2	Communication and training about anti-corruption policies and procedures	[Business Ethics] A compliance alert is sent every month to all advisors informing them of all compliance related changes. It includes featured updates, training opportunities, and reminders.
205-3	Confirmed incidents of corruption and actions taken	[Business Ethics] In 2021, 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.
Anti-Competitive Behavior		
206	103-1/2/3: Management Approach	[Business Ethics]
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	[Business Ethics] LPL did not experience any legal actions for anti-competitive behavior, anti-trust, and monopoly practices in the reporting period.
Materials		
301	103-1/2/3: Management Approach	[Materials and Waste]
Energy		
302	103-1/2/3: Management Approach	[Environmental Stewardship] ; Our environmental programs and progress are overseen by our: chief human capital officer, senior vice president, Corporate Real Estate and vice president, Corporate Real Estate. Each year they look to increase ways to reduce energy and emissions in ways that make sense to our business
302-1	Energy consumption within the organization	[Energy and Emissions]
302-4	Reduction of energy consumption	[Energy and Emissions]
Water And Effluents		
303	103-1/2/3: Management Approach	[Environmental Stewardship] ; Our environmental programs and progress are overseen by our: chief human capital officer, senior vice president, Corporate Real Estate and vice president, Corporate Real Estate. Each year they look to increase ways to reduce water consumption in ways that make sense to our business
303-3	Water withdrawal	[Data Appendix]
303-5	Water consumption	[Data Appendix]

GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
Emissions		
305	103-1/2/3: Management Approach	[Environmental Stewardship]
305-1	Direct (Scope 1) GHG emissions	[Energy and Emissions]
305-2	Energy indirect (Scope 2) GHG emissions	[Energy and Emissions]
305-5	Reduction of GHG emissions	[Energy and Emissions]
Effluents And Waste		
306	103-1/2/3: Management Approach	[Environmental Stewardship] ; Our environmental programs and progress are overseen by our: Chief Human Capital Officer, senior vice president, Corporate Real Estate and vice president, Corporate Real Estate. Each year they look to increase ways to reduce water consumption in ways that make sense to our business
306-3	Waste generated	[Data Appendix]
306-4	Waste diverted from landfill	[Data Appendix]
Employment		
401	103-1/2/3: Management Approach	[Our Employees]
401-1	New employee hires and employee turnover	[Our Employees] ; [Data Appendix]
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	[Employee Health, Wellness, and Benefits]
401-3	Parental leave	[Employee Health, Wellness, and Benefits]
Training And Education		
404	103-1/2/3: Management Approach	[Employee Training and Professional Development]
404-1	Average hours of training per year per employee	[Employee Training and Professional Development]
404-2	Programs for upgrading employee skills and transition assistance programs	[Employee Training and Professional Development]
404-3	Percentage of employees receiving regular performance and career development reviews	[Employee Training and Professional Development]

GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
Diversity And Equal Opportunity		
405	103-1/2/3: Management Approach	[Diversity, Equity, and Inclusion]
405-1	Diversity of governance bodies and employees	[Diversity, Equity, and Inclusion]
Non-Discrimination		
406	103-1/2/3: Management Approach	[Fair Labor Practices]
406-1	Incidents of discrimination and corrective actions taken	[Fair Labor Practices]
Human Rights Assessment		
412	103-1/2/3: Management Approach	[Responsible Sourcing] ; [Fair Labor Practices]
412-2	Employee training on human rights policies or procedures	[Fair Labor Practices]
Local Communities		
413	103-1/2/3: Management Approach	[Supporting the Communities Where We Operate]
413-1	Operations with local community engagement, impact assessments, and development programs	[Supporting the Communities Where We Operate]
Supplier Social Assessment		
414	103-1/2/3: Management Approach	[Responsible Sourcing]
414-1	New suppliers that were screened using social criteria	[Responsible Sourcing]
Public Policy		
415	103-1/2/3: Management Approach	[Public Policy and Advocacy]
415-1	Political contributions	2021 LPL PAC Annual Report

GRI CONTENT INDEX *(continued)*

DISCLOSURE NUMBER	DESCRIPTION	LOCATION (REPORT SECTION, URL)
Marketing and Labeling		
417	103-1/2/3: Management Approach	[Sustainable Investing at LPL] ; [Our Approach to Sustainable Investing]
417-3	Incidents of non-compliance concerning product and service information and labeling	See our 2021 10-K Annual report for a summary of the firm's material legal proceedings.
Customer Privacy		
418	103-1/2/3: Management Approach	[Cybersecurity and Data Privacy]
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	[Cybersecurity and Data Privacy]
Socio-Economic Compliance		
419	103-1/2/3: Management Approach	[Public Policy and Advocacy]
419-1	Non-compliance with laws and regulations in the social and economic area	In 2021, LPL had no instances of non-compliance with laws and regulations in the social and economic area.
FINANCIAL SECTOR SUPPLEMENT		
FSS	103-1/2/3: Management Approach	[Sustainable Investing]
FS-2	Procedures for assessing and screening environmental and social risks in business lines.	[Sustainable Investing] ; [Product Risk Governance]
FS-4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	[Sustainable Investing]
FS-5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	[Sustainable Investing]
FS-6	Portfolio	[Sustainable Investing]
FS-8	Value of environmental products	[Sustainable Investing]
FS-11	ESG screening of assets under management	[Sustainable Investing]

SASB CONTENT INDEX

We have included the below disclosures related to the three sectors that are most closely aligned to our mix of businesses: Asset Management & Custody, Consumer Finance, and Investment Banking & 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. We do not currently disclose all metrics included in the standards for these three sectors, but we will continue to evaluate them in the future. This report covers calendar year 2021. The table below shows where you can find the information throughout the report.

DISCLOSURE TOPIC	DISCLOSURE NUMBER	DISCLOSURE ACCOUNTING METRIC	LOCATION (PAGE, URL)
Asset management & custody activities			
Transparent Information and Fair Advice for Customers	FN-AC-270a.1, FN-IB-510b.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 our 2021 10-K Annual report for a summary of the firm's material legal proceedings.
	FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	There were no losses during this time frame
	FN-AC-270a.3	Description of approach to informing customers about products and services	[Product Risk Governance]
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	[Diversity, Equity, and Inclusion]
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]
	FN-AC-410a.2, FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking, brokerage activities and/or wealth management processes and strategies	[Sustainable Investing]
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	2021 Proxy Statement

SASB CONTENT INDEX *(continued)*

DISCLOSURE TOPIC	DISCLOSURE NUMBER	DISCLOSURE ACCOUNTING METRIC	LOCATION (PAGE, URL)
Business Ethics	FN-AC-510a.1, FN-IB-510a.1	Total amount of monetary losses 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 2021, 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.
	FN-AC-510a.2, FN-IB-510a.2	Description of whistleblower policies and procedures	[Code of Conduct]
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 2021 10-K Annual Report for detail on data security risks.
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	There were no monetary losses in 2021 as a result of legal proceedings associated with a compromise of LPL systems. Please see the 2021 10-K 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.2	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	Not applicable to LPL's business model.
	FN-CF-230a.3	Description of approach to identifying and addressing data security risks	[Cybersecurity and Data Privacy]
Selling Practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Not applicable to LPL's business model.
	FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	Not applicable to LPL's business model.
	FN-CF-270a.3	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660	Not applicable to LPL's business model.

SASB CONTENT INDEX *(continued)*

DISCLOSURE TOPIC	DISCLOSURE NUMBER	DISCLOSURE ACCOUNTING METRIC	LOCATION (PAGE, URL)
	FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or non-monetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	Not applicable to LPL's business model.
	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	During the period, the Company was subject to legal proceedings arising out of our business operations and associated with selling and servicing our products, including lawsuits, arbitration claims, and inquiries, as well as other actions and claims. Material legal proceedings for the Company are disclosed in our 2021 10-K Annual Report.
INVESTMENT BANKING			
Incorporation of Environmental, Social, and Governance Factors in Investment Management and Advisory	FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry	Not applicable to LPL's business model.
	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 at LPL]

SASB CONTENT INDEX *(continued)*

DISCLOSURE TOPIC	DISCLOSURE NUMBER	DISCLOSURE ACCOUNTING METRIC	LOCATION (PAGE, URL)
Professional Integrity	FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	During the period, the Company was subject to legal proceedings arising out of our business operations and associated with selling and servicing our products, including lawsuits, arbitration claims, and inquiries, as well as other actions and claims. Material legal proceedings for the Company are disclosed in our 2021 10-K Annual Report. There were no material legal proceedings disclosed in the 2021 10-K Annual Report related to the period January 1, 2021 to December 31, 2021.
	FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	During the period, the Company was subject to legal proceedings arising out of our business operations and associated with selling and servicing our products, including lawsuits, arbitration claims, and inquiries, as well as other actions and claims. Material legal proceedings for the Company are disclosed in our 2021 10-K Annual Report.
	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	[Business Ethics]

DISCLAIMER

Statements in this sustainability report and LPL Financial Holdings Inc.'s website regarding the company's future 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 April 5, 2022. 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 2021 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 date 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.

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This material has been prepared for informational purposes only, and is not intended as specific advice or recommendations for any individual. There is no assurance that the strategies discussed are suitable for all investors and they do not take into account the particular needs, investment objectives, tax and financial condition of any specific person. To determine which investment(s) may be appropriate for you, please consult your financial advisor prior to investing. All investing involves risk including loss of principal. Amounts invested in mutual funds are subject to fluctuations in value and market risk.

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Austin

LPL Financial
13620 N FM 620
Building C, Suite 200
Austin, TX 78717

Boston

LPL Financial
75 State Street, 22nd Floor
Boston, MA 02109

Fort Mill

LPL Financial
1055 LPL Way
Fort Mill, SC 29715

San Diego

LPL Financial
4707 Executive Drive
San Diego, CA 92121-3091

(800) 877-7210 | lpl.com

Contact for ESG-related questions: Leslie Dunham, leslie.dunham@lplfinancial.com

*Top RIA custodian (Cerulli Associates, 2020 U.S. RIA Marketplace Report); No. 1 Independent Broker-Dealer in the U.S. (Based on total revenues, *Financial Planning* magazine 1996–2021); No. 1 provider of third-party brokerage services to banks and credit unions (2020–2021 Kehler Bielan Research & Consulting Annual TPM Report); Fortune 500 Company as of June 2021. LPL and its affiliated companies provide financial services only from the United States.

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