

For the purposes of Regulation (EU) 2024/3005 on the transparency and integrity of ESG rating activities, Refinitiv France SAS is the ESG Rating Provider responsible for the issuance of the relevant ESG ratings within the European Union. This document describes the methodology used for the production of ESG ratings and related products distributed globally under the LSEG brand. References to LSEG products, methodologies, governance frameworks and related disclosures reflect the global operating framework supporting those products and services. This methodology document forms part of the disclosure framework established to support compliance with the Regulation (EU) 2024/3005 and should be read together with the publicly available disclosure documents at: <https://www.lseg.com/en/data-analytics/sustainable-finance/regulatory-disclosures>. The use of the LSEG brand in this document is for branding purposes only and does not affect, modify or supersede the identification of the ESG Rating Provider for the purposes of Regulation (EU) 2024/3005.

Ref	Annex	Article	Requirement	Relevant / Disclosure	Methodology Reference (Section / Title & Page)
ESMA Reference:					
RTS on Article 23					
Rating Product Disclosures	Annex III 1.f	Article 3(1)	Information on the ESG rating's clearly defined objective and marking whether the rating is assessing risks, impacts, or both, according to the double materiality principle, or any other dimensions, and in the case of double materiality the proportion of the risk and impact materiality.	Diversity and Inclusion (D&I) scores leveraging LSEG ESG data are designed to transparently and objectively measure the relative performance of companies against factors that define diverse and inclusive workplaces. It is designed on the hypothesis that companies tracking, reporting and achieving on measures of diversity, inclusion and people development will, collectively and over time, offer diversification away from portfolios constructed using different selection criteria such as capitalisation alone. LSEG's D&I score provides the information to help users identify long-term opportunities and risks in their investments.	Executive Summary, page 3
			(a) A description of the risks covered, where the ESG rating is assessing risks.		
			(b) A description of the impacts covered, where the ESG rating is assessing impacts.		
			(c) Information on how the risk and impact materiality are taken into account according to the double materiality principle, where applicable.	Leveraging LSEG ESG data, the Diversity and Inclusion (D&I) scores are designed to transparently and objectively measure the relative performance of companies against factors that define diverse and inclusive workplaces. The LSEG D&I score provides information to help users identify long-term opportunities and risks in their investments and is best interpreted within a double materiality framework, capturing both risks to enterprise value and wider social impacts.	Section 1 Calculation Methodology, page 5
	Annex III 1.g	Article 3(2)	(d) Where the ESG rating is based on other materiality dimensions, a description of those dimensions.	Not applicable - No other materiality dimensions are applied.	N/A
			The ESG rating's scope, namely, whether it covers an individual E, S, or G factor or whether it is an aggregated rating aggregating E, S and G factors, or whether it covers specific issues such as transition risks.	The LSEG D&I score provides information to help users identify long-term opportunities and risks in their investments and is best interpreted within a double materiality framework, capturing both risks to enterprise value and wider social impacts.	Section 1 Calculation Methodology, page 5
			(a) A description of what is covered under the E, S or G factors and which factors are aggregated, where applicable.	Refer to Figure 1 The components of LSEG D&I Scores for a summary of factors included within the score.	Executive Summary, page 4
	Annex III 1.h	N/A	(b) A description of the specific issues that the ESG rating covers.	Refer to Figure 1 The components of LSEG D&I Scores for a summary of factors included within the score.	Executive Summary, page 4
			In the case of an aggregated ESG rating, the weighting of the three overarching E, S and G categories of factors (for example 33 % for the E factor, 33 % for the S factor, 33 % for the G factor), and the explanation of the weighting method, including weight per individual E, S and G category.	The D&I Scores do not take into consideration Environment and/ or Governance factors.	N/A
	Annex III 1.i	N/A	Within the E, S or G factors, specification of the topics covered by the ESG rating, and whether they correspond to the topics from the sustainability reporting standards developed pursuant to Article 29b of Directive 2013/34/EU.	While Corporate Sustainability Reporting Directive (CSRD) disclosures may be used as a source of underlying information, the methodology does not incorporate or rely on alignment with the EU Taxonomy Regulation or disclosures under the Sustainable Finance Disclosure Regulation (SFDR) as direct inputs to the scoring model.	Sub-section 3.1 Data Collection and inputs for the D&I score, page 8
	Annex III 1.j	N/A	Information on whether the rating is expressed in absolute or relative value.	LSEG D&I scores measure a company's relative performance on diversity and inclusion factors, assessing its position compared to relevant peer groups based on fundamental attributes, commitments and outcomes. The scores are calculated on a fiscal year basis, reflecting the latest available disclosures and updates in company practices.	Executive Summary, page 4
	Annex III 1.o, Annex III 1.p	Article 3(3)	If an ESG rating of a rated item covers the E factor, information on whether that rating takes into account the targets and objectives of the Paris Agreement or any other relevant international agreements.	The D&I Scores do not take into consideration Environment factors.	N/A
(a) Include an indication of whether the rating takes into account the targets and objectives of the Paris Agreement and which other international agreements are taken into account, with reference to basic identifying information on these agreements together with an explanation of their relevance to the rating;					
(b) Specify whether the rating is benchmarking commitments against the objectives of those agreements.			Not applicable - There is no environmental dimension embedded in the scores to take into account targets and objectives of the Paris accord.	N/A	
Annex III.1.a	Article 4(1)	An overview of the rating methodologies used and changes thereto, including whether analysis is backward-looking or forward-looking and the time horizon covered.			
		(a) the title of the rating methodology used;	Diversity and Inclusion Scores from LSEG	Executive Summary, page 3	
		(b) a description of the types of rated items in relation to which the methodology referred to in point (a) applies	LSEG D&I score ranks publicly listed companies (including both active/inactive public companies), as measured by 24 separate metrics across four key pillars. Data is gathered from publicly available sources and is standardised, comparable and reliable.	Executive Summary, page 3	
		(c) the time horizon over which the ESG rating is considered valid, where applicable	The scores are calculated on a fiscal year basis, reflecting the latest available disclosures and updates in company practices.	Executive Summary, page 4	
		(d) a list and overview of the relevant supporting models and key rating assumptions, where applicable; information on measures and procedures to ensure the quality and reliability of data used;	For details of the supporting model and key rating assumptions, refer to Section 1. Calculation methodology. Data quality is a fundamental component of the data collection process. To ensure the highest possible level of accuracy, we apply a combination of automated controls and manual oversight, with the objective of approaching full data completeness and reliability. The following provides an overview of the methodologies employed to support this objective. Data quality controls applicable to the model are summarised in Sub-section 4.3 Data Quality Controls.	Section 1 Calculation Methodology, pages 5-7 Sub-section 4.3 Data Quality Controls, page 11	
		(e) a description of the defined ranking system of rating categories used, with reference to:	To scale the scores of individual measures, it is necessary, for each measure, to calculate a minimum/maximum value for each measure in each of the TRBC industry groups. Many individual measures are weighted based on the availability of that measure across companies in that industry group (TRBC Level 3) or country. The diversity, inclusion and people development pillars use the same methodology to calculate the pillar scores. The methodology for calculating the controversies score is considerably simpler. It is based on the company's market cap classification, and for each measure, whether any controversies were reported (the measures contain the number of controversies, but this is not taken into account). Overall score is based on a simple average of the four individual pillar scores. A company must have non-zero scores on all four pillars to have an overall score computed to ensure the overall score is representative of the reported data and free from assumptions or estimates. Refer to Section 1 Calculation Methodology and Section 2 Diversity and Inclusion Scoring Example for further details of the methodology steps applied.	Section 1 Calculation Methodology, pages 5-7 Section 2 Diversity and Inclusion Scoring Example, page 7	
		i. the meaning of each rating category for absolute and relative values and how the ranking system should be interpreted;			
		ii. in the case of relative values, an explanation as to whether they are relative to a specific industry, geographical area, peer groups or other comparative references and their respective description			
(f) the dates of the most recent update of the methodology and a description of the changes introduced to the previous version.	Effective Date 1st July 2026; Version 1.0	Model Change Log - Version Control Table, page 2			

Regulatory Information

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Basic Methodological Disclosures	Annex III.1.b	Article 4(2)	The industry classification used.	LSEG	Executive Summary, page 3
			(a) The name of the issuing body for the industry classification used.	The LSEG Business Classifications (TRBC)	Executive Summary, page 3
			(b) The name and version of the industry classification used.	TRBC Sector Classification	Executive Summary, page 3
	Annex III.1.c	Article 4(3)	An overview of data sources, including whether data is sourced from sustainability statements required under Directive 2013/34/EU or from information disclosed under Regulation (EU) 2019/2088 and whether sources are public or non-public, and an overview of data processes, estimation of input data in case of unavailability and frequency of data updates.	LSEG operates a global data collection framework designed to ensure that ESG data used in the calculation of Diversity and Inclusion (D&I) scores is objective, consistent, comparable and traceable across all covered entities. Data is collected by a global network of trained content analysts, supported by standardised data collection methodologies, internal controls and quality assurance processes. All data points are defined through a structured taxonomy and are subject to consistent application across companies to ensure comparability. The D&I score is based exclusively on publicly available information. Primary data sources include, but are not limited to: <ul style="list-style-type: none"> • Annual reports and integrated reports • Corporate sustainability or ESG reports, including disclosures prepared under the Corporate Sustainability Reporting Directive (CSRD) where available • Company websites and official publications • Press releases and regulatory filings While CSRD disclosures may be used as a source of underlying information, the methodology does not incorporate or rely on alignment with the EU Taxonomy Regulation or disclosures under the Sustainable Finance Disclosure Regulation (SFDR) as direct inputs to the scoring model. <p>The methodology does not incorporate non-public information, estimated data or proxy inputs. Where relevant data is not publicly disclosed by a company, the absence of disclosure is reflected in the scoring outcome in accordance with the predefined methodology.</p>	Sub-section 3.1 Data Collection and inputs for the D&I score, page 8
			(a) An overview of data sources, including whether data is sourced from sustainability statements, and whether sources are public or non-public; overview of data processes, estimation of input data in case of unavailability and frequency of data updates.	Refer to ESG Data Management Policy Statement available via LSEG's Regulatory Disclosures Website.	Refer to ESG Ratings Data Management Policy Statement document.
	Annex III.1.e	Article 4(4)	Information on whether and how the rating methodologies are based on scientific evidence	Scores are not based on scientific evidence.	Executive Summary, page 3
Annex III.1.k	N/A	Where applicable, describe the process for identifying relevant scientific evidence.			
		Where applicable, reference to the use of artificial intelligence in the data collection or rating process including information about current limitations and risks of using artificial intelligence.	Data collection: AI (NLP/ML) is used in a semi-automated manner at the data collection stage, which provides recommendations. However, all outputs are subject to data specialist review and validation before data is entered into the collection system. There is no analyst discretion, all reviews are based on the policy and rules defined for collection of each data metric. There is no straight through processing (STP) for ESG data collection using AI. The SFI tool provides recommended extract from public disclosures relevant to a given data metric, with a human reviewer making the final selection. <p>The score calculation/rating process is algorithmic and does not use AI.</p>	Sub-section 3.1 Data Collection and inputs for the D&I score, page 8	
Limitations in data sources, methodologies and information	Annex III 1.m, Annex III 1.q	Article 5	Any limitation in data sources and methodologies used for the construction of ESG ratings. Any limitation on the information available to ESG rating providers.		
			(a) the availability or consistency of data used in the rating process;	The availability and consistency of ESG data may vary across companies, regions, and reporting periods due to differences in disclosure practices, reporting standards, and regulatory requirements. While LSEG seeks to ensure broad and consistent coverage, not all companies disclose information for all indicators in each fiscal year.	Sub-section 4.2.1 Availability, consistency and completeness of data, page 10
			(b) the completeness, timeliness and accuracy of information;	Corporate reported data is updated as and when new disclosures become available, including annual reports, sustainability reports, and other relevant publications. As disclosures are subject to companies' own reporting schedules, there may be a time lag between the end of a fiscal year and the availability of complete data. LSEG applies validation and review processes to enhance data accuracy; however, the methodology relies primarily on publicly disclosed information and, as such, cannot fully eliminate the risk of errors, omissions, or subsequent restatements by reporting entities.	Sub-section 4.2.2 Timeliness and accuracy of information, page 10
		(c) the use of assumptions, proxy reference points and data estimation.	The methodology does not incorporate non-public information, estimated data or proxy inputs. Where relevant data is not publicly disclosed by a company, the absence of disclosure is reflected in the scoring outcome in accordance with the predefined methodology.	Section 3.1 Data Collection and inputs for the D&I score, page 8	
Organisational	Annex III.1.d	Article 6(1)	The ownership structure of the ESG rating provider.	Refer to ESG Ratings Organisational Structure Statement available via LSEG's Regulatory Disclosures Website.	Refer to ESG Ratings Organisational Structure Statement document.
	Annex III.1.l	Article 6(2)	General information on criteria used for establishing fees charged to clients, specifying the various elements taken into consideration, and general information on the business/payment model.	Refer to ESG Ratings Pricing Framework available via LSEG's Regulatory Disclosures Website.	Refer to ESG Ratings Pricing Framework document.
	Annex III.1.n	Article 6(3)	The main risks of conflicts of interest and the steps taken to mitigate them.	Refer to Conflicts of Interest Policy Statement available via LSEG's Regulatory Disclosures Website.	Refer to Conflicts of Interest Policy Statement document.

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