

**Regulatory Information**

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Ref	Annex.	Article.	Requirement	Relevant / Disclosure	Methodology Reference (Section / Title & Page)
<b>ESMA Reference:</b>					
<b>RTS on Article 23</b>					
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.	The LSEG ESG Model assesses the policies, systems and processes by which a company manages Environmental, Social and Governance risks within its operations and its supply chain. It is designed to provide analysis in two dimensions – the relative impact on or exposure to an ESG topic that a sector can have; and the strength of a company's policies, systems and processes to manage these impacts or exposure.  Given the interdependencies between financial and impact materiality and the role of time horizons (dynamic materiality), the LSEG ESG Scores are best interpreted within a double materiality framework. Where distinctions are required, the Scores apply the broader scope of double materiality, capturing both risks to enterprise value and wider environmental and social impacts.	Executive summary, page 5 The LSEG ESG Scores, page 6
			(a) A description of the risks covered, where the ESG rating is assessing risks.	Refer to Table 3 Illustrative ESG Score Interpretation across the E, S and G pillars.	Sub-section 1.1.5, Scoring scale, page 14
			(b) A description of the impacts covered, where the ESG rating is assessing impacts.	Refer to Table 3 Illustrative ESG Score Interpretation across the E, S and G pillars.	Sub-section 1.1.5, Scoring scale, page 14
			(c) Information on how the risk and impact materiality are taken into account according to the double materiality principle, where applicable.	Given that double materiality offers the broader conceptual scope – capturing both financial relevance and the organisation's wider impacts – where a distinction between perspectives is required, the LSEG ESG Scores can be appropriately interpreted within a double materiality framework. The materiality assessment determines the relative importance of the ESG Themes to a company and is focused on issues that may negatively affect the company or its stakeholders. When determining materiality levels from "Not relevant" to "Critical" per materiality groups for each ESG theme, we considered both the potential financial risks posed by the theme on the bottom line of companies within these materiality groups, and companies' potential impact on the theme itself.	Sub-section 2.3 Materiality assessment, page 20
			(d) Where the ESG rating is based on other materiality dimensions, a description of those dimensions.	Table 10 Materiality group descriptions	Sub-section 2.3.1, Materiality groups, page 21
	Annex III 1.g	Article 3(2)	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 final LSEG ESG score represents the weighted average of pillar scores and normalized pillar weights. It is an absolute score on a 0 to 5 scale, quoted to 1 decimal place. The weight of a Pillar within the Overall Score is proportional to applied Theme Weights over possible Theme weights. For example, in the Environmental Pillar there are 5 Themes, each of which can have a maximum weight of 1.	Sub-section 2.5 Overall ESG Score, page 24
			(a) A description of what is covered under the E, S or G factors and which factors are aggregated, where applicable.	The ESG Model consists of 12 Themes, scored on a 0 to 5 integer scale. All Theme Scores are calculated for all companies but with variable weights.	Sub-section 2.2 Theme scores, page 17
			(b) A description of the specific issues that the ESG rating covers.	The Environmental factor covers themes relating to Climate Transition, Energy and Resource Use, Biodiversity, Water Use, and Waste and Pollution. The Social factor covers Labour Relations, Health and Safety, and Human Rights and Community. The Governance factor covers Board and Management, Shareholder Rights, Conduct and Anti-Corruption, and Tax Transparency and Accounting.	Section 3 Theme assessment, page 25
	Annex III 1.h	N/A	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 weight of a Pillar within the Overall Score is proportional to applied Theme Weights over possible Theme weights. For example, in the Environmental Pillar there are 5 Themes, each of which can have a maximum weight of 1. The Environmental Pillar weight is therefore the sum of Environmental Theme weights over 5, as shown in Table 16.	Sub-section 2.5 Overall ESG Score, page 24
	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.	The scores are not extended further back in time for two key reasons. First, many of the newly introduced themes such as TNFD-aligned biodiversity and broader nature-related indicators—were not consistently disclosed by companies in earlier years, meaning that sufficiently robust and comparable data does not exist at scale prior to FY2022. Second, the updated LSEG ESG methodology is designed to align with recent regulatory developments and global standard-setting initiatives, including the EU Corporate Sustainability Reporting Directive (CSRD) and ISSB frameworks.	Sub-section 8.8 Time series, page 75
Annex III 1.j	N/A	Information on whether the rating is expressed in absolute or relative value.	The Overall ESG Score is calculated as a weighted sum of Pillar Scores. It is a 0 to 5 absolute score.	Sub-section 1.1.4 Overall ESG Scoring, page 13	
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.	ESG Scores leverage the TPI MQ metrics and Future Capex Alignment Commitment within the Climate Transition Theme. Refer to Section 3.1 Climate Transition, Table 19 for a summary of the indicators used.	Section 3.1 Climate Transition, Table 19, page 27	
		(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.	The Climate Transition theme score within the Environmental pillar is based on Transition Pathway Initiative Management Quality ('TPI MQ') Score and companies' Greenhouse Gas ('GHG') emissions performance. The TPI MQ score includes assessment of the extent to which the company's policies, commitments, targets, and disclosed actions are aligned with the objectives of international agreements on environmental efforts such as the Paris Agreement (2015). Refer to Section 3.1 Climate Transition, Table 19 for a summary of the indicators used.	Section 3.1 Climate Transition, Table 19, page 27	

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Basic Methodological Disclosures	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.	The Scores utilize a structured set of around 220 key indicators– including emissions, energy performance, human rights, and shareholder dynamics – to calculate twelve Theme Scores. For each Theme, companies are assessed on disclosure and performance indicators, whilst key metrics act as checks to help mitigate greenwashing risks. These Theme Scores are then grouped into three ESG pillars: Environmental, Social and Governance, and a single overall Score per company.  The LSEG ESG Scores Plus model is based on the LSEG ESG Scores to which complementary information is added that provides additional insight on different views of ESG performance. The Plus scores add two dimensions: a risk-related view and an impact-related view. This bi-dimensional view contains four key pillars. The risk-related dimension of the scores includes companies' exposure to sovereign risk and news controversies. The impact-related dimension captures companies' ability to either generate green revenues or issue green bonds. The overarching aim of the Plus model is to provide a comprehensive 360° view picture of the overall sustainability footprint and business model of a company.	The LSEG ESG Scores, page 6 The LSEG ESG Scores Plus, page 6
			(a) the title of the rating methodology used;	LSEG ESG Scores Methodology	
			(b) a description of the types of rated items in relation to which the methodology referred to in point (a) applies	LSEG ESG data covers approximately 17,000 public and private companies globally. ESG scores and underlying metrics are available for around 15,000 public companies. In addition, ESG metrics are available for approximately 1,300 private companies.	Sub-section 8.7 Data coverage, page 74
			(c) the time horizon over which the ESG rating is considered valid, where applicable	The output of all scoring procedures is combined and indexed at a company and fiscal year level.	Sub-section 2.2.5 Score capping, page 19
			(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;	Details of the supporting model, and key assumptions are provided within Section LSEG ESG Scores Methodology. Input data quality controls applied to LSEG ESG scores are summarised in Table 49 List of input data quality control checks in sub-section 11.1 Input Data Quality Control.	LSEG ESG Scores Methodology, pages 8-59 Sub-section 11.1 Input Data Quality Control, Table 49, page 78
			(e) a description of the defined ranking system of rating categories used, with reference to: 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	The LSEG ESG Scores are expressed on a 0 to 5 scale, ranging from Not engaging (0) to Leading (5), as illustrated in the Figure 8. This scale is applied consistently across ESG Theme scores, Pillar scores, and the Overall ESG Score, providing a common framework for interpreting results at different levels of aggregation. Progression along the scale reflects increasing levels of company maturity in addressing ESG topics, moving from limited or absent disclosures, through developing and established approaches, to more advanced and leading practices evident in company behaviour and publicly available information.	Sub-section 1.1.5, Scoring scale, page 13
			(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 1.1	Model Change Log - Version Control Table, page 4
	Annex III.1.b	Article 4(2)	The industry classification used.		
			(a) The name of the issuing body for the industry classification used.	LSEG	Sub-section 2.3.1 Materiality groups, page 20
			(b) The name and version of the industry classification used.	The LSEG Business Classifications (TRBC)	Sub-section 2.3.1 Materiality groups, page 20
			(c) Any publicly available link to the official documentation of the industry classification system, if available.	<a href="#">TBRC Sector Classification</a>	Sub-section 2.3.1 Materiality groups, page 20
	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.		
			(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.	LSEG collects and calculates over 900 company-level ESG data points, of which a curated subset of 222 indicators is used to construct the LSEG ESG Scores. These indicators have been selected to provide a comprehensive, comparable, and materially relevant view of a company's ESG performance, with a focus on internal operations. The full list of 222 scoring indicators is provided within the theme-specific sections of this methodology document. The complete set of over 900 ESG metrics is available in LSEG's ESG Glossary, which can be accessed upon request. Model inputs are derived exclusively from publicly available company disclosures, including annual reports, integrated reports, sustainability reports, press releases, corporate websites, and CDP submissions. Underlying source data for each indicator can be visualised through certain LSEG platforms, such as Workspace. No estimated data or non-public information is incorporated into the LSEG ESG Score.	Sub-section 8.6 Data collection and inputs for the ESG Scores, page 74

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			(b) A description of the engagement process with rated items or issuers of these items, including how the input from such engagement is considered.	Refer to ESG Data Management Policy Statement available via LSEG's Regulatory Disclosures Website.	Refer to <b>ESG Ratings Data Management Policy Statement</b> document.
	Annex III.1.e	Article 4(4)	Information on whether and how the rating methodologies are based on scientific evidence Where applicable, describe the process for identifying relevant scientific evidence.	Scores are not based on scientific evidence.	Executive summary, page 5
	Annex III.1.k	N/A	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.	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 score calculation/rating process is algorithmic and does not use AI.	Sub-section 8.6 Data collection and inputs for the ESG Scores, page 74
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 10.1, Availability, consistency and completeness of data, page 77
			(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. During this period, ESG scores may be provisional in nature. 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 10.2, Timeliness and accuracy of information, page 77
			(c) the use of assumptions, proxy reference points and data estimation.	No estimated data or non-public information is incorporated into the LSEG ESG Score.	Sub-section 8.6, Data collection and inputs for the ESG Scores, page 74
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 <b>ESG Ratings Organisational Structure Statement</b> 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 <b>ESG Ratings Pricing Framework</b> 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 <b>Conflicts of Interest Policy Statement</b> document.

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