

# EU ESG Ratings Regulation

## Executive summary

The EU ESG Ratings Regulation<sup>1</sup> introduces a regulatory framework for providers of standalone ESG ratings marketed or distributed in the European Union.

FTSE Russell's primary activities relate to the design, calculation and administration of indices and benchmarks, including sustainable and ESG-themed indices. These indices are rules-based tools subject to established governance and oversight frameworks, including the EU Benchmarks Regulation where applicable.

Indices that incorporate ESG related data as methodological inputs do not constitute 'ESG ratings' for the purposes of the EU ESG Ratings Regulation. FTSE Russell does not market or distribute its indices as ESG ratings and does not act as an ESG ratings provider in the EU.

FTSE Russell ESG Scores continue to be available for use by clients outside the EU, including but not limited to Japan, Hong Kong, Singapore, and subject to applicable local regulatory requirements and licensing requirements.

<sup>1</sup> Regulation (EU) 2024/3005 of the European Parliament and of the Council of 27 November 2024 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities, and amending Regulations (EU) 2019/2088 and (EU) 2023/2859 (Text with EEA relevance)

## Contents

Executive summary .....	1
What is the EU ESG Ratings Regulation? .....	3
Is FTSE Russell in scope of the EU ESG Ratings Regulation? .....	3
Does FTSE Russell use ESG Ratings that are regulated under the EU ESG Ratings Regulation? .....	3
Will FTSE Russell's position change as regulation evolves? .....	3
Where can clients find further information? .....	4
Who can I contact for further information? .....	4

## What is the EU ESG Ratings Regulation?

The [EU ESG Ratings Regulation](#) was published in the Official Journal on 12 December 2024, and applies from 2 July 2026. The Regulation introduces a regulatory framework for providers of ESG ratings that are issued or distributed in the European Union only. Its objectives are to enhance transparency, reduce conflicts of interest, improve governance standards, and support market confidence in ESG ratings.

For the purposes of the EU Regulation, an ESG rating is broadly defined as an opinion, score or combination of both regarding an entity, financial instrument or product's ESG profile or characteristics, based on an established methodology and a defined ranking or scoring system.

## Is FTSE Russell in scope of the EU ESG Ratings Regulation?

FTSE Russell has undertaken a detailed assessment of the EU ESG Ratings Regulation across its product set.

FTSE Russell's primary activities are the design, calculation and administration of indices and benchmarks, including sustainable, climate and ESG-themed indices. Such indices are subject to established governance, transparency and oversight requirements, including under Benchmarks Regulations where applicable.

FTSE Russell indices that incorporate ESG related data or signals as inputs into a benchmark methodology do not constitute ESG ratings where ESG-related data is used as an input within a methodology and is not distributed as a standalone ESG rating product.

FTSE Russell does not provide FTSE ESG Scores within or for use in the EU. To the extent these scores are provided outside the EU, they are not considered to fall within the current scope of the EU ESG Ratings Regulation

## Does FTSE Russell use ESG Ratings that are regulated under the EU ESG Ratings Regulation?

FTSE Russell is not an EU ESG ratings provider registered with ESMA.

Where ESG-related data is used within FTSE Russell indices, it may be sourced by FTSE Russell, from internal or external third-party providers. Some internal or external third-party providers may themselves be subject to ESG ratings regulation where they issue standalone ESG ratings in the EU. These data sources and their use are clearly described in the relevant index Ground Rules and methodology documents. The [Guide to FTSE and Third Party ESG Data used in FTSE Indices](#) outlines the data sources used.

## Will FTSE Russell's position change as regulation evolves?

FTSE Russell continues to monitor the implementation and interpretation of the EU ESG Ratings Regulation, including emerging regulatory guidance and supervisory expectations

as well as related developments in other jurisdictions, including the UK.

This FAQ reflects FTSE Russell's current assessment and approach, based on available information and is subject to change as regulatory clarification, supervisory practice and market standards further develop.

## Where can clients find further information?

Clients can find further information in:

- FTSE Russell index Ground Rules and methodology documents
- Relevant index factsheets and disclosures
- FTSE Russell regulatory and governance disclosures available on the LSEG website

## Who can I contact for further information?

For further information, please email [info@ftsrussell.com](mailto:info@ftsrussell.com), or contact your FTSE Russell relationship manager with questions.

---

## ABOUT FTSE RUSSELL

FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner we help investors make better-informed investment decisions, manage risk, and seize opportunities.

Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

## CONTACT US

To learn more, visit [lseg.com/ftse-russell](https://www.ftserussell.com); email [info@ftserussell.com](mailto:info@ftserussell.com); or call your regional Client Service team office:

**EMEA** +44 (0) 20 7866 1810

**Asia-Pacific**

**North America** +1 877 503 6437

**Hong Kong** +852 2164 3333

**Tokyo** +81 3 6441 1430

**Sydney** +61 (0) 2 7228 5659

## Disclaimer

© 2026 London Stock Exchange Group plc and its applicable group undertakings ("LSEG"). LSEG includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. "FTSE Canada", (4) FTSE Fixed Income LLC ("FTSE FI"), (5) FTSE (Beijing) Consulting Limited ("WOFE"), (6) FTSE EU SAS ("FES"). All rights reserved.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, FTSE FI, WOFE, FES and other LSEG entities providing LSEG Benchmark and Index services. "FTSE®", "Russell®", "FTSE Russell®", "FTSE4Good®", "ICB®", "Refinitiv", "WMR™", "FR™" and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of LSEG or their respective licensors.

FTSE International Limited is authorised as a Benchmark Administrator and regulated in the United Kingdom (UK) by the Financial Conduct Authority ("FCA") according to the UK Benchmark Regulation, FCA Reference Number 796803. FTSE EU SAS is authorised as Benchmark Administrator and regulated in the European Union (EU) by the Autorité des Marchés Financiers ("AMF") according to the EU Benchmark Regulation.

All information is provided for information purposes only. All information and data contained in this publication is obtained by LSEG, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical inaccuracy as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of LSEG nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or LSEG Products, or of results to be obtained from the use of LSEG products, including but not limited to indices, rates, data and analytics, or the fitness or suitability of the LSEG products for any particular purpose to which they might be put. The user of the information assumes the entire risk of any use it may make or permit to be made of the information.

No responsibility or liability can be accepted by any member of LSEG nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any inaccuracy (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analysing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of LSEG is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information.

No member of LSEG nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of LSEG nor their respective directors, officers, employees, partners, or licensors make any representation regarding the advisability of investing in any asset or whether such investment creates any legal or compliance risks for the investor. A decision to invest in any such asset should not be made in reliance on any information herein. Indices and rates cannot be invested in directly. Inclusion of an asset in an index or rate is not a recommendation to buy, sell or hold that asset nor confirmation that any particular investor may lawfully buy, sell or hold the asset or an index or rate containing the asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of LSEG. Use and distribution of LSEG data requires a licence from LSEG and/or its licensors.