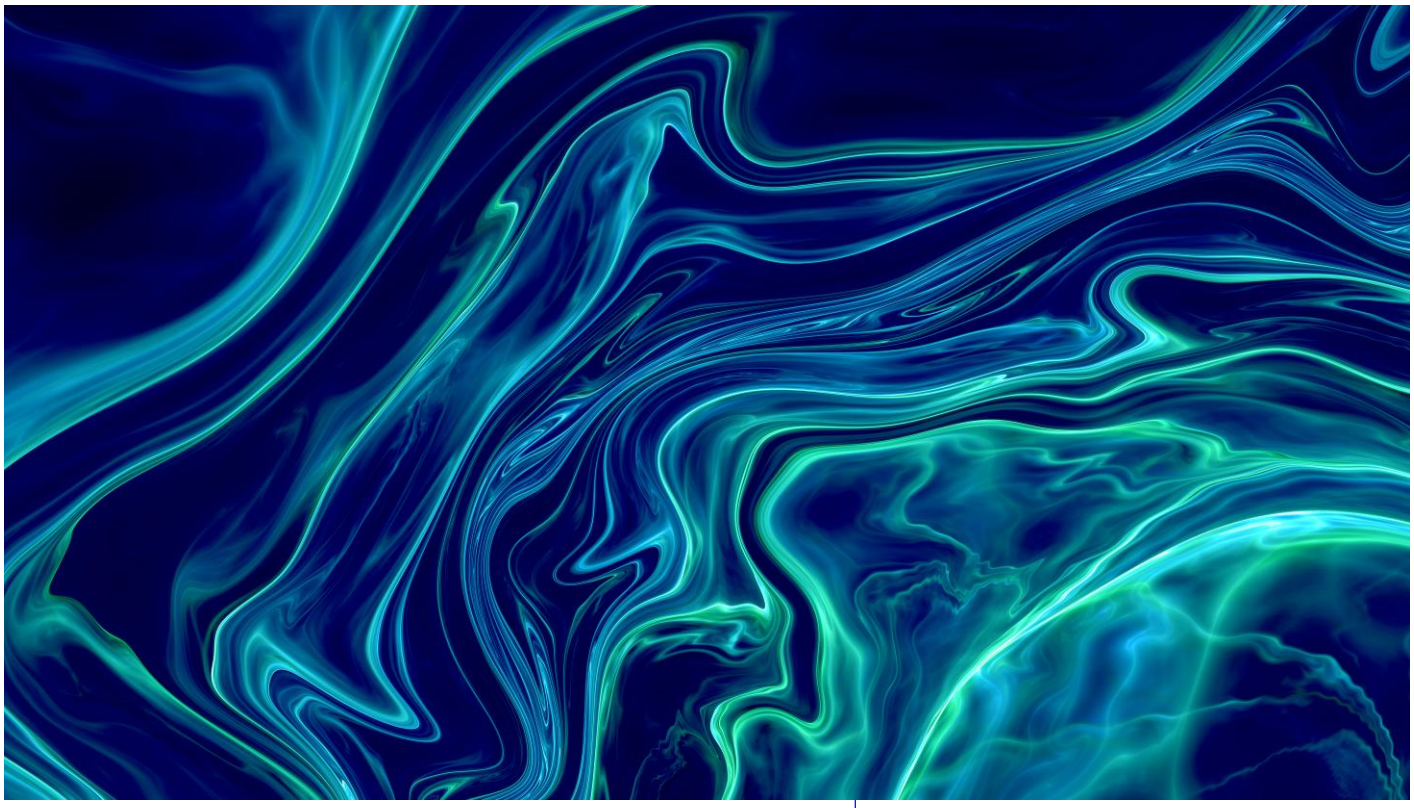

Index Insights | Sustainable Investment

Capturing emerging trends in the green economy with LSEG's Green Revenues Classification System

May 2026

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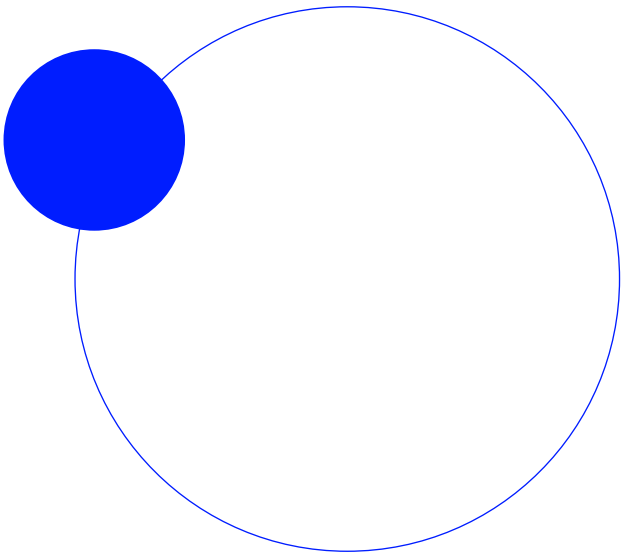
Executive summary

The global green economy continues to evolve beyond traditional climate mitigation themes, expanding into areas such as energy security, climate resilience and biodiversity preservation. As environmental priorities broaden and capital flows respond, investors increasingly require transparent, consistent and granular data frameworks to identify, measure and access emerging opportunity sets.

LSEG's Green Revenues data model and Green Revenues Classification System (GRCS) provide a robust foundation for systematically defining and capturing these evolving themes. Applied to nearly the full global equity market, the GRCS' bottom-up structure and environmental impact tiering enable investors to move beyond high-level labels and construct targeted thematic exposures aligned with specific environmental objectives across a broad spectrum of environmental products and services.

In this paper, we demonstrate the flexibility of the GRCS through two simulated thematic indices built from the FTSE Global All Cap Index universe. The climate adaptation simulation highlights exposure to infrastructure-led resilience solutions spanning industrials, utilities and water systems, while the biodiversity simulation captures revenues linked to sustainable agriculture, environmental services and resource management. In both cases, sector and country compositions reflect the underlying economic drivers of the themes.

As new environmental priorities continue to emerge, the ability to define and operationalise them within a transparent and scalable framework will be critical. LSEG's Green Revenues data model and GRCS taxonomy are designed to support the development of innovative thematic indices and investment solutions aligned with the evolving green economy.



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Mapping the green economy

As many industries decarbonise, adapt to climate risk and rethink resource use, investors are increasingly choosing to direct capital toward companies in the green economy. Historically, however, inconsistent definitions and fragmented data made it difficult to systematically identify and measure opportunities in the green economy.

LSEG's Green Revenues data model was developed to address this challenge by providing a transparent, rules-based framework to define, classify and quantify green economic activity across public equities. Applied to nearly 99% of total global market capitalisation, the dataset screens more than 21,000 companies across 93 countries. It classifies green revenues across 10 green sectors, 64 subsectors and 133 micro sectors based on the Green Revenues Classification System (GRCS).

From data to investable exposure: The FTSE Environmental Markets Index Series

The FTSE Environmental Markets Index Series translates the Green Revenues dataset into investable benchmarks designed to provide focused access to equities with meaningful exposure to environmental solutions. Launched in 2008, the series includes equity benchmarks dedicated to the green economy, using the FTSE Global All Cap Index as its parent universe.

In the broadest benchmark in the series, the FTSE Environmental Opportunities (EO) All Shares Index, approximately half of all revenues are classified as green, on a weighted average basis. Sub-indices allow more targeted exposure to geographic regions, green subsectors and thresholds of company exposure to green revenues.

Historically, the series has demonstrated the potential for strong long-term outcomes. Since inception in 2008 through January 2026, it has outperformed the broader global equity market by approximately 67%. While these green sectors have exhibited higher volatility, returns over time have compensated investors for this additional risk. A notable example is the FTSE Environmental Opportunities Energy Efficiency Index, which includes companies generating at least 20% of revenues from energy management and efficiency activities. The index delivered an annualised return of 25.8% over the three years ended January 2026.

Green Revenues Classification System: Designed for granularity and thematic flexibility

At the heart of LSEG's Green Revenues data model lies the Green Revenues Classification System (GRCS), a taxonomy designed to map the green economy with precision across global equity markets.

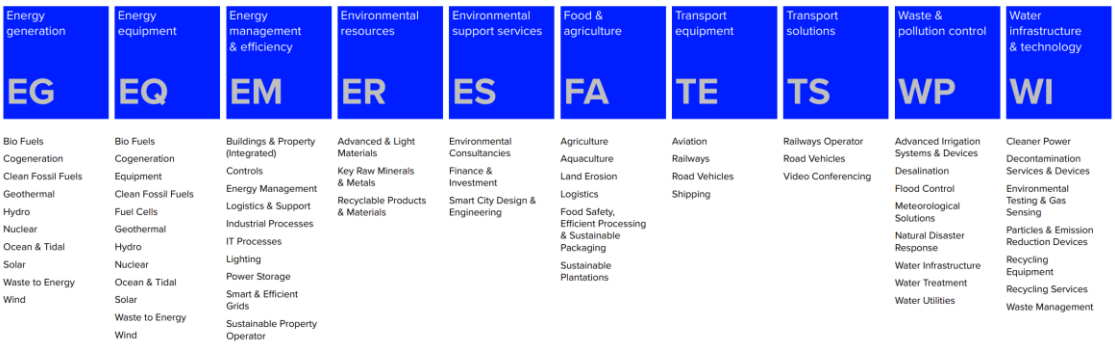
Multi-level granularity

A key strength of the GRCS is its layered structure. When a company's activities are identified as generating green revenues, they are mapped to one or more micro sectors—the most granular level of the taxonomy. These micro sectors are then aggregated into subsectors and broader sectors. See the full GRCS sectors, subsectors and micro sectors here: Green Revenues Classification System.

This approach supports:

- **Portfolio-level analytics**, enabling investors to measure aggregate green revenue exposure or tilt portfolios toward specific environmental activities.
- **Risk and transition analysis**, by identifying where revenues are aligned with environmental objectives.
- **Thematic index construction**, by isolating targeted segments of the green economy with defined exposure thresholds.

Figure 1. The Green Revenues Classification System: 10 sectors and 64 subsectors



Environmental impact lens and tiering

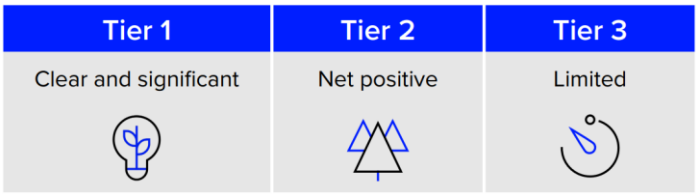
In order to assess net environmental impact of individual companies, each defined business activity is evaluated through the lens of seven environmental themes, including all six EU Taxonomy objectives and one addition. An overall score is derived for each micro sector based on impact—both positive and negative—of each environmental objective.

Figure 2. Environmental themes

Company activities are assessed against seven environmental objectives and allocated to micro sector tiers based on overall impact	
1.	Climate change mitigation
2.	Climate change adaptation
3.	Pollution prevention and control
4.	Protection of healthy ecosystems
5.	Sustainable use and protection of water and marine resources
6.	Transition to a circular economy, waste prevention and recycling
7.	Sustainable and efficient agriculture*

This work is then turned into an assessment of overall strength of 'greenness' based on three tiers. The micro sector tiering assessment allows users to assess exposure to various levels of green products and services and provides the flexibility to focus on activities with higher net environmental impact.

Figure 3. Environmental impact tiering



– Tier 1. Champions of sustainability delivering clear and significant environmental advantages. Examples include renewable energy generation and electric vehicles.
– Tier 2. Activities that provide moderate, yet positive, environmental benefits. Examples include large hydropower and cloud computing.
– Tier 3. While offering some green benefits, these activities may have a neutral or even negative overall impact. Examples include lithium mining or nuclear.

The bulk of the green economy—95% by market capitalisation—is made up of Tier 1 and Tier 2 activities.[1] Existing FTSE Environmental Markets Indices only consider Tier 1 and Tier 2 activities as eligible.

[1] LSEG, 2025. LSEG Green Economy Report - Investing in the green economy 2025.

The current GRCS 2.0 framework, launched in 2020, enhances the breadth and precision of the classification system. By capturing products and services across the entire value chain and aligning analysis with global environmental standards, it positions the dataset to respond to evolving regulatory and market expectations.

Figure 4. GRCS 2.0

Enabling emerging thematics

As environmental challenges evolve, so too does the opportunity set within public markets. Because the GRCS classifies revenues at a highly granular level and links them to environmental objectives, it provides flexible building blocks for constructing new thematic indices and investment strategies. Investors can draw on the classification system to assemble exposures aligned with specific objectives, such as adaptation infrastructure, ecosystem restoration, sustainable agriculture inputs or other developing segments of environmental markets.

The following sections illustrate this flexibility in practice, presenting two example thematic methodologies—climate adaptation and biodiversity—built using the GRCS framework. These case studies demonstrate how the Green Revenues data model can support innovation in index design while maintaining methodological consistency and transparency.

Simulation 1. Climate adaptation

While mitigation has historically dominated climate-related investment, adaptation and resilience are emerging as a complementary and increasingly important focus. Physical climate risks—including flooding, wildfires, extreme heat and water stress—are intensifying in both frequency and severity. Since the 1990s, climate-related economic losses have exceeded $4.3 trillion,[2] with projections suggesting further material impacts on GDP and corporate earnings under current warming trajectories.[3]

Capital is beginning to respond. Public adaptation finance more than doubled from $35 billion in 2018 to $76 billion in 2022, growing at a 21% CAGR.[4] At the corporate level, 34% of companies in the FTSE All World Index now reference adaptation measures in their disclosures.[5]

As a theme, climate adaptation spans infrastructure, water systems, construction materials, environmental services, disaster response and resilient agriculture. Using the GRCS framework, LSEG has identified more than 2,100 companies generating greater than $1 trillion in revenues from products and services contributing to climate adaptation—roughly one fifth of the global green economy in 2024.[6]

For asset owners and product developers, the investment rationale rests on three pillars:

– **Structural demand growth** driven by escalating physical climate risk and public spending commitments.

– **Diversified exposure** spanning multiple industries.

– **Resilience characteristics**, with revenues often tied to infrastructure, utilities and essential services.

Constructing a climate adaptation index using the GRCS

The breadth and granularity of the GRCS enable adaptation exposure to be identified at the micro sector level. Approximately 35 GRCS micro sectors—around one quarter of the total taxonomy—contribute to climate adaptation, ranging from dedicated activities such as flood control and natural disaster response to broader categories including green buildings and water infrastructure (Appendix A).

A simulated FTSE Environmental Opportunities Climate Adaptation Index was constructed from the FTSE Global All Cap Index universe. Companies were screened based on revenue exposure to GRCS micro sectors identified as contributing to adaptation solutions. In order to be eligible for inclusion, companies were required to have at minimum 20% revenues exposure to linked micro sectors, filtering down the broader set 2,100 companies with any exposure to approximately 250 with significant aligned revenues.

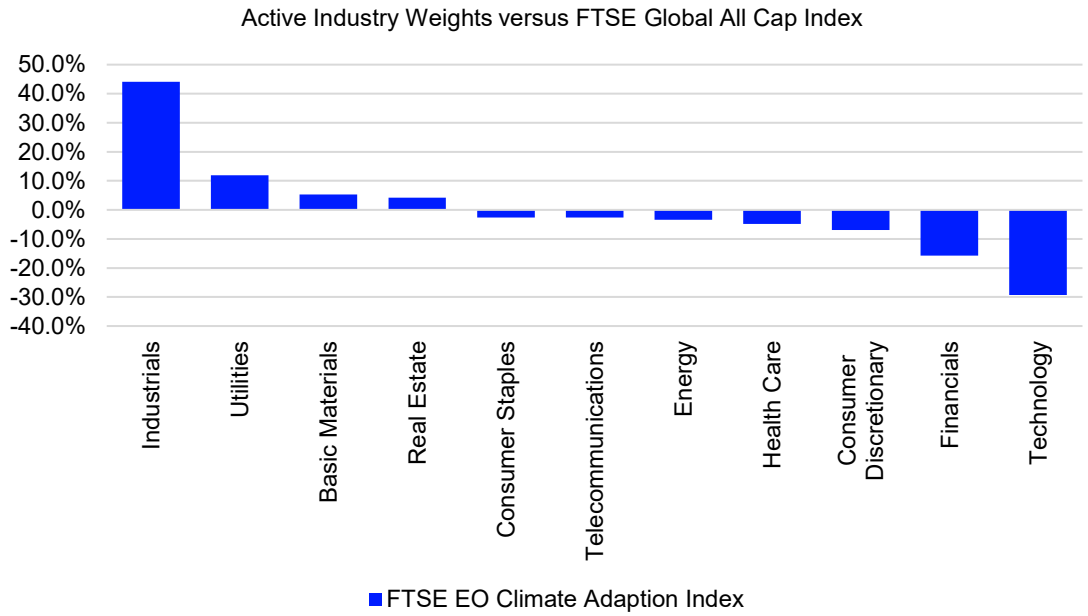
[2] WMO, May 2023. Economic costs of weather-related disasters soars but early warnings save lives.
[3] Swiss Re Institute, 2021. The economics of climate change.
[4] 2022 is the latest year for which comprehensive data is available. This includes largely international flows from advanced economies to emerging and developing economies, and finance provided by national development finance institutions. Climate Policy Initiative 2024. Global Landscape of Climate Finance 2024.
[5] Based on LSEG Climate data. The disclosure on adaptation measures is less standardised compared to climate risk assessment where the latter has been improved by the adoption of standards and frameworks such as TCFD and ISSB.
[6] LSEG, 2025. LSEG Green Economy Report - Investing in the green economy 2025.

Industry and country profiles

The simulated FTSE Environmental Opportunities Climate Adaptation Index exhibits an infrastructure-led industry profile, reflecting the physical nature of resilience investment. Industrials account for approximately 58% of the index weight as of December 30, 2025, with additional exposure to Utilities (15%), Basic Materials (9%) and Real Estate (7%). The simulated index carries minimal exposure to Technology and no exposure to Financials, resulting in a substantial active underweight to sectors that have driven much of global equity performance in recent years.

The simulated index sector tilts are economically coherent, as adaptation spending flows primarily into physical infrastructure, environmental services and resilient building systems rather than digital platforms.

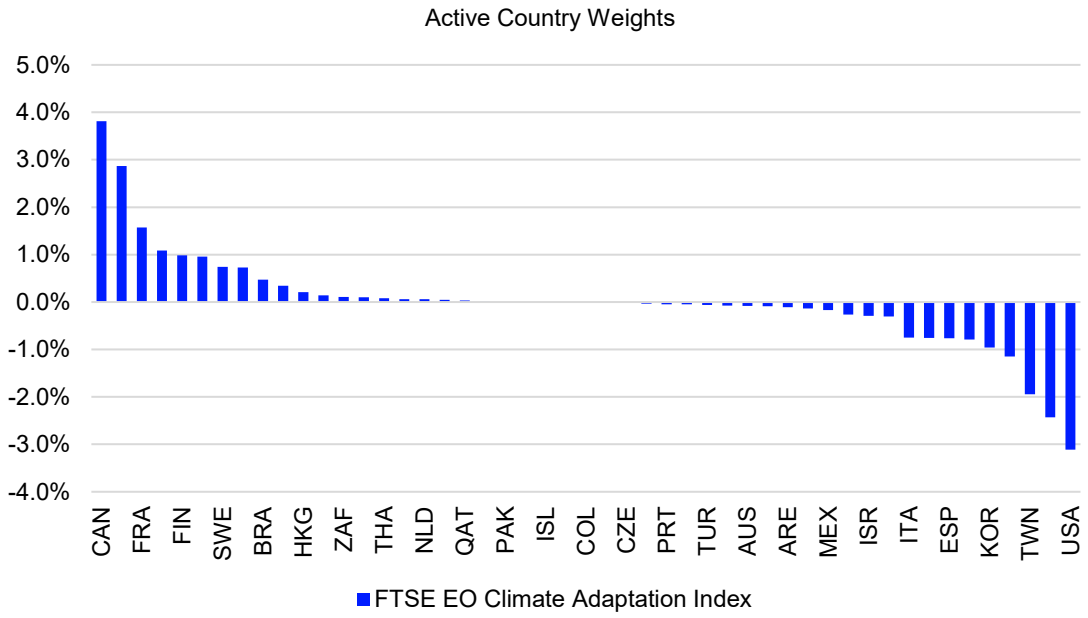
Figure 5. FTSE Environmental Opportunities Climate Adaptation Index industry weights



Source: FTSE Russell/LSEG. Data as at December 30, 2025.

The simulated FTSE Environmental Opportunities Climate Adaptation Index remains primarily oriented toward developed markets, with the US representing approximately 60% of index weight as of December 30, 2025. While this is a large absolute exposure, it is modestly underweight relative to the benchmark. Outside the US, the index shows relatively higher representation in markets with established engineering and infrastructure capacity, including Canada, Japan, Germany and France. This geographic profile aligns with regions that combine advanced industrial capabilities with significant public and private investment in infrastructure resilience.

Figure 6. FTSE Environmental Opportunities Climate Adaptation Index country weights



Source: FTSE Russell/LSEG. Data as at December 30, 2025.

Key constituents

On average, the simulated index had 237 constituents during the June 16, 2023 - December 30, 2025 period. As of December 30, 2025, the top 10 holdings account for approximately 36% of total index weight. The largest constituents illustrate the practical channels through which adaptation spending flows. Eaton and Trane Technologies provide energy management and climate control systems that improve building resilience and efficiency. Waste Management, Waste Connections and Republic Services sit at the centre of environmental services and disaster clean-up value chains. Johnson Controls and Carrier Global supply building technologies, HVAC and smart infrastructure systems that enhance climate resilience. Xylem plays a direct role in water infrastructure and flood mitigation, while companies such as Ferguson and Comfort Systems USA contribute to the distribution and installation of resilient building and water systems.

Figure 7. FTSE Environmental Opportunities Climate Adaptation Index top 10 holdings

Name	Country	ICB Industry	FTSE EO Climate Adaptation Index Weight
Eaton Corp PLC	USA	Industrials	6.83%
Trane Technologies PLC	USA	Industrials	4.77%
Waste Mgmt Inc	USA	Utilities	4.39%
Johnson Controls International PLC	USA	Industrials	4.33%
Equinix Inc	USA	Real Estate	4.06%
BASF	DEU	Basic Materials	2.51%
Waste Connections Inc	CAN	Utilities	2.46%
Ferguson Enterprises	USA	Industrials	2.40%
Republic Services	USA	Utilities	2.37%
Carrier Global	USA	Industrials	2.32%

Source: FTSE Russell/LSEG. Data as at December, 2025.

Performance overview: June 16, 2023 - December 30, 2025

Over the nearly three-year simulation period, the FTSE Environmental Opportunities Climate Adaptation Index generated an annualised return of 10.2%, compared with 18.7% for the FTSE Global All Cap Index. Annualised volatility over the period was modestly higher for the adaptation index (12.4%) versus the benchmark (11.7%), resulting in a lower risk/reward ratio (0.83 versus 1.60).

Returns of the FTSE Global All Cap Index over this period were heavily driven by a small group of mega-cap US technology stocks—particularly AI- and platform-related names—to which the FTSE Environmental Opportunities Climate Adaptation Index had minimal exposure. In this sense, the FTSE Global All Cap Index serves as a broad market reference point rather than a like-for-like thematic comparator.

If we are to draw comparison, though, it is worth noting that over the first months of 2026 following the simulation period, these same stocks faltered, with the Roundhill Magnificent 7 ETF down 8.17% year-to-date as of mid-March 2026. By contrast, 3 month returns on the FTSE Global core infrastructure Index to end of March were 9.3%, up almost 6% on their global benchmark. This highlights the recent performance of asset heavy strategies.

Simulation 2. Biodiversity

Biodiversity—the variety of life across genes, species and ecosystems—is foundational to global economic activity and long-term resilience. Healthy ecosystems underpin essential functions such as food production, water purification, pollination, carbon sequestration and soil fertility, all of which are critical inputs to economic output and human well-being[7]. Research shows that biodiversity loss has increasingly material economic implications, as declining species richness and ecosystem function can disrupt these services and, in turn, constrain economic productivity over time.

The World Bank and other research bodies have highlighted that a large share of global GDP—often estimated as greater than half, or roughly $44 trillion per year—is moderately or highly dependent on nature and its associated services, meaning that continued degradation of biodiversity could translate into meaningful financial risk across sectors.[8] Under the Kunming-Montreal Global Diversity Framework, the shortfall in financial resources required to effectively protect and restore nature is estimated at $700 billion per year.[9]

Market responses are beginning to emerge. Capital directed toward biodiversity solutions—from nature restoration and regenerative agriculture to sustainable water systems and habitat protection—has grown rapidly, suggesting that biodiversity finance is moving from a niche sustainability concern to a mainstream investment consideration.

This dual materiality—where biodiversity loss poses risk to corporate cash flows, supply chains and asset values, and where biodiversity solution providers present new investment opportunities—forms the basis of the investment case for a biodiversity-themed index. It reflects both the economic importance of maintaining healthy ecosystems and the emergence of revenue streams linked to preserving, restoring and sustainably managing nature.

Constructing a biodiversity index using the GRCS

Approximately 30 GRCS micro sectors contribute to biodiversity, ranging from Agriculture to Land Erosion to Air Decontamination (Appendix B). The simulated FTSE Environmental Opportunities Biodiversity Index was constructed from the FTSE Global All Cap Index universe. Companies were screened based on revenue exposure to GRCS micro sectors identified as contributing to biodiversity. Again, in order to be eligible for inclusion, companies were required to have at minimum 20% revenues exposure to linked micro sectors.

The Environmental Opportunities Indices methodologies focus purely on exposure to activities linked with solutions, regardless of any other business exposures. Therefore, there is exposure in the index to some companies which are engaged in activities not traditionally aligned with biodiversity objectives, for example Genetically Modified crops. These companies are selected due to their contribution to other activities aligned to biodiversity objectives, however alternative methodologies could overlay additional criteria or exclusions to remove such companies.

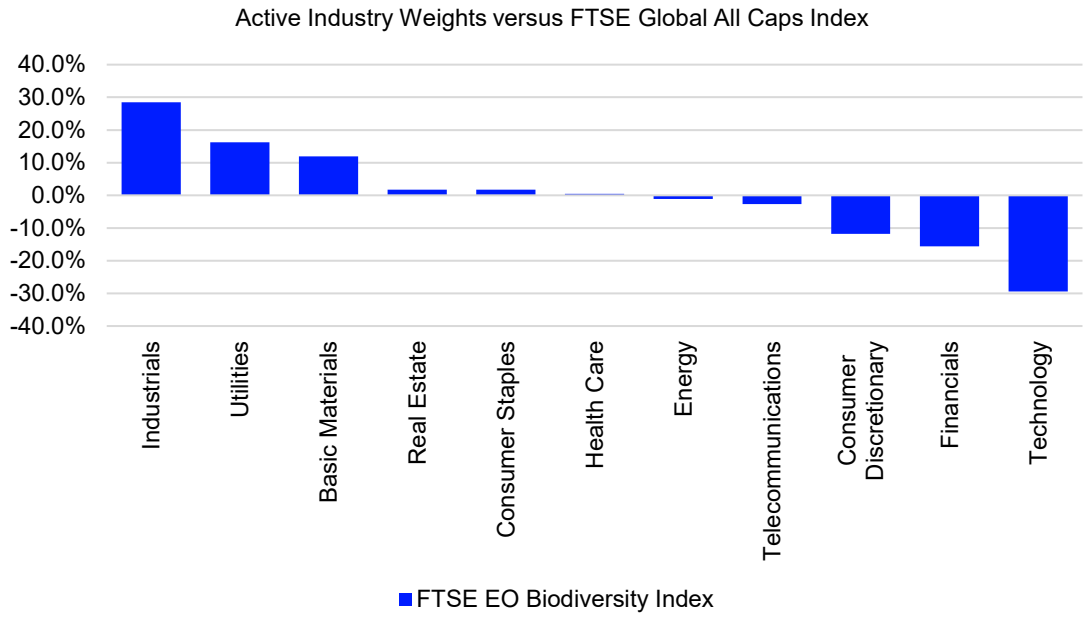
[7] WEF. Biodiversity loss poses a fundamental risk to the global economy | World Economic Forum.
[8] World Bank 2022. Securing Our Future Through Biodiversity.
[9] UN Environment Programme Finance Initiative 2025.

Industry and country profiles

The simulated FTSE Environmental Opportunities Biodiversity Index exhibits a diversified but distinctly nature-linked industry composition. As of December 30, 2025, Industrials represent the largest allocation at 42% of index weight, followed by Utilities (19%) and Basic Materials (15%), with additional exposure to Health Care (9%) and Consumer Staples (6%). Together, these sectors reflect the core channels through which biodiversity-related revenues are generated, including environmental services, water management, sustainable forestry and materials, pollution control and agricultural inputs.

Relative to the benchmark FTSE Global All Cap Index, the simulated biodiversity index is meaningfully overweight Industrials and Utilities, while maintaining minimal exposure to Technology and Financials. This results in a pronounced structural underweight to sectors that dominate the broader global equity index, particularly large-cap technology.

Figure 8. FTSE Environmental Opportunities Biodiversity Index industry weights

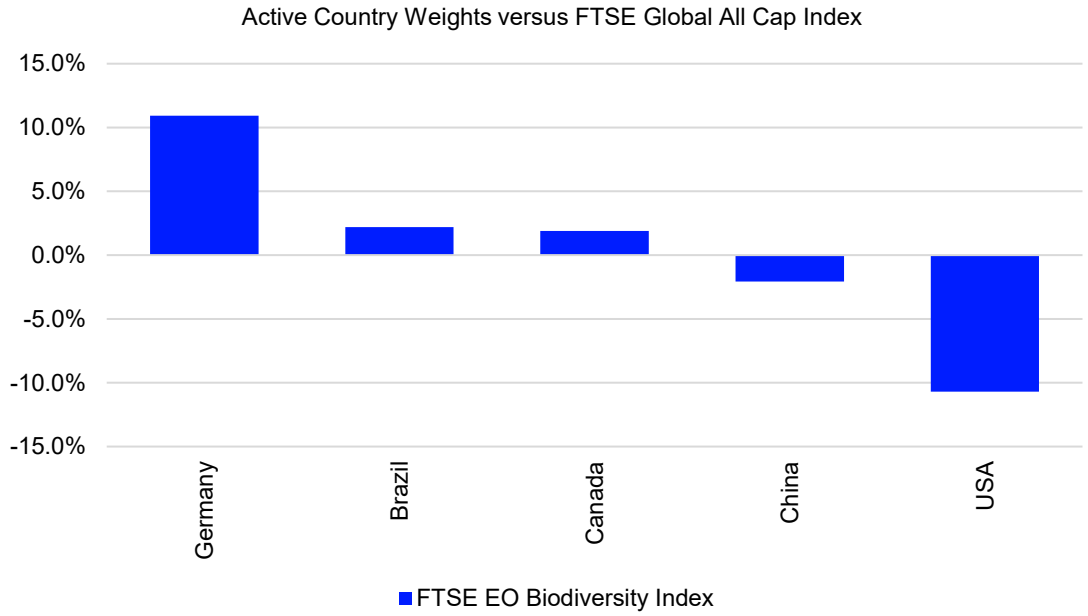


Source: FTSE Russell/LSEG. Data as at December, 2025.

The simulated FTSE Environmental Opportunities Biodiversity Index exhibits a more differentiated geographic profile than the broader global benchmark. The active country tilts indicate a relative shift toward regions with strong environmental engineering, industrial manufacturing and resource management capabilities.

While the US remains the single largest exposure at 52%, this represents a meaningful underweight relative to the benchmark's 63% allocation. Outside the US, the index shows notable allocations to several continental European markets with Germany accounting for 13% of index weight. Another notable exposure is Brazil, which is 2.2% overweight in the index.

Figure 9. FTSE Environmental Opportunities Biodiversity Index country weights



Source: FTSE Russell/LSEG. Data as at December, 2025.

Key constituents

On average, the simulated index had 136 constituents during the June 16, 2023 - December 30, 2025 period, reflecting the small number of companies with biodiversity solutions as a core business line. As of December 30, 2025, the top 10 holdings account for approximately 44% of total index weight. The largest holding, BASF, reflects the role of advanced materials, agricultural inputs and environmental chemistry in improving crop efficiency and reducing ecological impact. Ferguson Enterprises and Xylem are involved in water infrastructure and distribution systems, directly supporting water conservation, treatment and sustainable resource management. In Health Care, Bayer and Novonesis highlight the connection between biotechnology, crop science and sustainable agricultural productivity.

Utilities exposure is represented by American Water Works and Veolia Environnement, both of which operate water and waste systems that protect aquatic ecosystems and improve environmental quality. Veralto, a provider of water analytics and environmental solutions, reinforces the index's focus on monitoring and resource optimisation. Nutrien and Texas Pacific Land illustrate the linkage between biodiversity, land stewardship and sustainable resource management, spanning fertiliser efficiency, soil productivity and land use optimisation.

Collectively, the top holdings demonstrate that biodiversity exposure is delivered through agricultural science, water infrastructure, environmental services and sustainable materials—reinforcing the index's alignment with nature-positive economic activity.

Figure 10. FTSE Environmental Opportunities Biodiversity Index top 10 holdings

Name	Country	ICB Industry	FTSE EO Biodiversity Index Weight
BASF	DEU	Basic Materials	6.69%
Ferguson Enterprises	USA	Industrials	6.38%
Bayer AG	DEU	Health Care	6.04%
Xylem Inc.	USA	Industrials	4.90%
Nutrien Ltd	CAN	Basic Materials	4.43%
American Water Works Company	USA	Utilities	3.70%
Veralto Corporation	USA	Industrials	3.50%
Novonesis (Novozymes) B	DNK	Health Care	3.21%
Veolia Environnement	FRA	Utilities	3.04%
Texas Pacific Land Corporation	USA	Energy	2.52%

Source: FTSE Russell/LSEG. Data as at December, 2025.

Performance overview: June 16, 2023 - December 30, 2025

Over the nearly three-year simulation period, the FTSE Environmental Opportunities Biodiversity Index generated an annualised return of 6.3%, compared with 18.7% for the FTSE Global All Cap Index. Annualised volatility over the period was modestly higher for the biodiversity index (12.0%) versus the benchmark (11.7%), resulting in a lower risk/reward ratio (0.53 versus 1.60).

As with the simulated climate adaptation index, relative underperformance must be considered in the context of an unusually concentrated global equity environment. The benchmark's returns during this period were heavily driven by a narrow group of mega-cap US technology stocks. The FTSE Environmental Opportunities Biodiversity Index had minimal exposure to Technology and Financials, and was instead concentrated in Industrials, Utilities, Basic Materials and environmental services businesses—reflecting its alignment with land stewardship, water infrastructure, sustainable agriculture and environmental management.

Conclusion

The climate adaptation and biodiversity index simulations illustrate how the Green Revenues data model and Green Revenues Classification System (GRCS) provide a flexible, granular foundation for building forward-looking environmental thematics. By mapping revenue exposure at the micro sector level and aligning activities with clearly defined environmental objectives, the GRCS enables investors to isolate emerging segments of the green economy with transparency and methodological consistency.

As sustainability priorities evolve, the ability to define and scale new thematic exposures becomes increasingly important. LSEG's Green Revenues capabilities are designed to support that evolution. Investors exploring new environmental thematics, including adaptation, biodiversity or adjacent themes, are encouraged to engage with our team of experts to discuss how our solutions can support innovative index and product development.

Appendix 1: GRCS micro sectors with contribution to climate change adaptation

LSEG Green Revenues Classification System (GRCS)

Micro sectors with contribution to adaptation are shown in blue

Energy Generation [EG] 18	Energy Management & Efficiency [EM] 13	Energy Equipment [EQ] 22	Environmental Resources [ER] 11	Environmental Support Services [ES] 5
Bio Fuels	**Buildings & Property (Integrated)**	Bio Fuels	**Advanced & Light Materials**	**Environmental Consultancies**
Bio Gas	Controls	Bio Fuel (1st & 2nd Generation)	Key Raw Minerals & Metals	Finance & Investment
Bio Mass (Grown)	**Energy Management Logistics & Support**	Bio Fuel (3rd Generation)	Cobalt	Carbon Credits trading
Bio Mass (Waste)	Industrial Processes	Bio Gas	Lithium	Sustainable Investment Funds
Cogeneration	IT Processes	Bio Mass (grown)	Platinum & Platinum-Group Metals (PGM)	**Smart City Design & Engineering**
Cogeneration (Biomass)	Cloud Computing	Bio Mass (waste)	Rare Earths	
Cogeneration (Renewable)	Efficient IT	Cogeneration Equipment	Silica	
Cogeneration (Gas)	Lighting	Cogeneration (Biomass)	Uranium	
Clean Fossil Fuels	Power Storage	Cogeneration (Renewable)	Recyclable Products & Materials	
Geothermal	Power storage (Battery)	Cogeneration (Gas)	Recyclable Materials	
Hydro (General)	Power Storage (Pumped Hydro)	Carbon Capture & Storage	Recyclable & Reusable Products	
Large Hydro	**Smart and Efficient Grids**	Fuel Cells		
Small Hydro	Sustainable Property Operator	Geothermal		
Nuclear		Hydro (General)		
Ocean and Tidal		Large Hydro		
Solar (general)		Small Hydro		
Waste to Energy		Nuclear		
Wind (General)		Ocean and Tidal		
		Solar (General)		
		Waste to Energy		
		Wind (General)		

Food & Agriculture [FA] 17	Transport Equipment [TE] 12	Transport Solutions [TS] 9	Waste & Pollution Control [WP] 15	Water Infrastructure & Technology [WI] 10
Agriculture	Aviation	Railways Operator	Cleaner Power	**Advanced Irrigation Systems & Devices**
GM Agriculture	Railways (General)	General Railways	**Decontamination Services & Devices**	**Desalination**
Machinery	Railway (Infrastructure)	Electrified Railways	**Air Decontamination Services & Devices**	**Flood Control**
Meat & Dairy Alternatives	Trains (Electric / Magnetic)	Road Vehicles	**Land & Soil Decontamination Services & Devices**	**Meteorological Solutions**
Non GM Advanced Seeds	Trains (General)	Bike sharing	**Sea & Water Decontamination Services & Devices**	**Natural Disaster Response**
Organic & Low-Impact Farming	Road Vehicles	Bus and Coach operators	Environmental Testing & Gas Sensing	**Water Infrastructure**
Aquaculture	Advanced Vehicle Batteries	Car Clubs	Particles & Emission Reduction Devices	**Water Treatment**
Aquaculture (General)	Bikes and Bicycles	Ride Hailing	Industrial Pollution Reduction	Water Treatment Chemicals
Aquaculture (Sustainable)	Bus and Coach Manufacturers	Video Conferencing	Transport Pollution Reduction	**Water Treatment Equipment**
Land Erosion	Electrified Road Vehicles & Devices (incl Hydrogen powered)		Recycling Equipment	Water Utilities
Logistics	Energy Use Reduction Devices		Recycling Services	
Food Safety, Efficient Processing & Sustainable Packaging	Shipping		**Waste Management (General)**	
Food Safety, Efficient Processing & Sustainable Packaging (no single use plastic)			**Hazardous Waste Management**	
Food Safety, Efficient Processing & Sustainable Packaging (with single use plastic)			**Organic Waste Process**	
Sustainable Plantations			**General Waste Management**	
Sustainable Forestry				
Sustainable Palm Oil				

Appendix 2: GRCS micro sectors with contribution to biodiversity

LSEG Green Revenues Classification System (GRCS)

Micro sectors with contribution to biodiversity are shown in blue

Energy Generation [EG] 18	Energy Management & Efficiency [EM] 13	ENERGY Equipment [EQ] 22	Environmental Resources [ER] 11	Environmental Support Services [ES] 5
Bio Fuels	Buildings & Property (Integrated)	Bio Fuels	Advanced & Light Materials	Environmental Consultancies
Bio Gas	Controls	Bio Fuel (1st & 2nd Generation)	Key Raw Minerals & Metals	**Finance & Investment**
Bio Mass (Grown)	Energy Management Logistics & Support	Bio Fuel (3rd Generation)	Cobalt	Carbon Credits trading
Bio Mass (Waste)	Industrial Processes	Bio Gas	Lithium	Sustainable Investment Funds
Cogeneration	IT Processes	Bio Mass (grown)	Platinum & Platinum-Group Metals (PGM)	**Smart City Design & Engineering**
Cogeneration (Biomass)	Cloud Computing	Bio Mass (waste)	Rare Earths	
Cogeneration (Renewable)	Efficient IT	Cogeneration Equipment	Silica	
Cogeneration (Gas)	Lighting	Cogeneration (Biomass)	Uranium	
Clean Fossil Fuels	Power Storage	Cogeneration (Renewable)	Recyclable Products & Materials	
Geothermal	Power storage (Battery)	Cogeneration (Gas)	Recyclable Materials	
Hydro (General)	Power Storage (Pumped Hydro)	Carbon Capture & Storage	Recyclable & Reusable Products	
Large Hydro	Smart and Efficient Grids	Fuel Cells		
Small Hydro	Sustainable Property Operator	Geothermal		
Nuclear		Hydro (General)		
Ocean and Tidal		Large Hydro		
Solar (general)		Small Hydro		
Waste to Energy		Nuclear		
Wind (General)		Ocean and Tidal		
		Solar (General)		
		Waste to Energy		
		Wind (General)		

Food & Agriculture [FA]	Transport Equipment [TE]	Transport Solutions [TS]	Waste & Pollution Control [WP]	Water Infrastructure & Technology [WI]
17	12	9	15	10
Agriculture	Aviation	Railways Operator	Cleaner Power	**Advanced Irrigation Systems & Devices**
GM Agriculture	Railways (General)	General Railways	**Decontamination Services & Devices**	**Desalination**
Machinery	Railway (Infrastructure)	Electrified Railways	**Air Decontamination Services & Devices**	**Flood Control**
Meat & Dairy Alternatives	Trains (Electric / Magnetic)	Road Vehicles	**Land & Soil Decontamination Services & Devices**	**Meteorological Solutions**
Non GM Advanced Seeds	Trains (General)	Bike sharing	**Sea & Water Decontamination Services & Devices**	**Natural Disaster Response**
Organic & Low-Impact Farming	Road Vehicles	Bus and Coach operators	**Environmental Testing & Gas Sensing**	**Water Infrastructure**
Aquaculture	Advanced Vehicle Batteries	Car Clubs	**Particles & Emission Reduction Devices**	**Water Treatment**
Aquaculture (General)	Bikes and Bicycles	Ride Hailing	**Industrial Pollution Reduction**	Water Treatment Chemicals
Aquaculture (Sustainable)	Bus and Coach Manufacturers	Video Conferencing	**Transport Pollution Reduction**	**Water Treatment Equipment**
Land Erosion	Electrified Road Vehicles & Devices (incl Hydrogen powered)		Recycling Equipment	**Water Utilities**
Logistics	Energy Use Reduction Devices		Recycling Services	
Food Safety, Efficient Processing & Sustainable Packaging	Shipping		Waste Management (General)	
Food Safety, Efficient Processing & Sustainable Packaging (no single use plastic)			Hazardous Waste Management	
Food Safety, Efficient Processing & Sustainable Packaging (with single use plastic)			Organic Waste Process	
Sustainable Plantations			General Waste Management	
Sustainable Forestry				
Sustainable Palm Oil				

See the full GRCS sectors, subsectors and micro sectors here: Green Revenues Classification System

Appendix 3: Industry and Country Compositions of the FTSE Environmental Opportunities Climate Adaptation Index and the FTSE Environmental Opportunities Biodiversity Index

FTSE Environmental Opportunities Climate Adaptation Index - ICB Industry Breakdown

Absolute industry exposures

ICB Industry	FTSE Global All Cap Index	FTSE EO Climate Adaptation Index
Industrials	13.5%	57.6%
Utilities	2.8%	14.7%
Basic materials	3.5%	8.8%
Real estate	2.4%	6.6%
Consumer discretionary	13.2%	6.2%
Health care	8.8%	3.9%
Consumer staples	4.2%	1.6%
Technology	29.6%	0.3%
Energy	3.6%	0.2%
Telecommunications	2.7%	0.0%
Financials	15.8%	0.0%

Source: FTSE Russell/LSEG. Data as at December, 2025.

FTSE Environmental Opportunities Climate Adaptation Index - Country Breakdown

Absolute country exposures

Country	FTSE Global All Cap Index	FTSE EO Climate Adaptation Index
USA	62.8%	59.7%
Canada	3.1%	6.9%
Japan	5.6%	6.7%
Germany	2.0%	4.9%
France	2.2%	3.7%
UK	3.3%	2.5%
Sweden	0.8%	1.5%
Australia	1.6%	1.5%
Denmark	0.4%	1.4%
Switzerland	2.0%	1.3%
Finland	0.3%	1.2%
Netherlands	1.0%	1.0%
Brazil	0.4%	0.9%
Ireland	0.1%	0.8%
India	2.0%	0.8%
China	3.3%	0.8%
Singapore	0.3%	0.7%
Hong Kong	0.5%	0.7%
South Africa	0.4%	0.5%
South Korea	1.4%	0.4%
Malaysia	0.2%	0.3%
Taiwan	2.2%	0.3%
Austria	0.1%	0.2%
Thailand	0.2%	0.2%
Norway	0.2%	0.2%
New Zealand	0.1%	0.1%
Chile	0.1%	0.1%
Qatar	0.1%	0.1%
Poland	0.1%	0.1%
UAE	0.2%	0.1%
Mexico	0.2%	0.1%
Spain	0.8%	0.1%
Pakistan	0.0%	0.0%
Turkey	0.1%	0.0%

Greece	0.1%	0.0%
Kuwait	0.1%	0.0%
Indonesia	0.1%	0.0%
Belgium	0.3%	0.0%
Israel	0.3%	0.0%
Saudi Arabia	0.3%	0.0%
Italy	0.8%	0.0%

Source: FTSE Russell/LSEG. Data as at December, 2025.

FTSE Environmental Opportunities Biodiversity Index - ICB Industry Breakdown

Absolute industry exposures

ICB Industry	FTSE Global All Cap Index	FTSE EO Biodiversity Index
Industrials	13.5%	42.0%
Utilities	2.8%	19.0%
Basic Materials	3.5%	15.4%
Health Care	8.8%	9.2%
Consumer Staples	4.2%	5.9%
Real Estate	2.4%	4.2%
Energy	3.6%	2.5%
Consumer Discretionary	13.2%	1.4%
Financials	15.8%	0.2%
Technology	29.6%	0.2%
Telecommunications	2.7%	0.0%

Source: FTSE Russell/LSEG. Data as at December, 2025.

FTSE Environmental Opportunities Biodiversity Index - Country Breakdown

Absolute country exposures

Country	FTSE Global All Cap Index	FTSE EO Biodiversity Index
USA	62.8%	52.1%
Germany	2.0%	12.9%
Japan	5.6%	5.5%
Canada	3.1%	4.9%
UK	3.3%	3.6%
Denmark	0.4%	3.4%
France	2.2%	3.0%
Sweden	0.8%	2.7%
Brazil	0.4%	2.6%
Norway	0.2%	2.0%
China	3.3%	1.2%
South Korea	1.4%	0.8%
India	2.0%	0.8%
Malaysia	0.2%	0.6%
Austria	0.1%	0.6%
Chile	0.1%	0.5%
Taiwan	2.2%	0.4%
Qatar	0.1%	0.3%
Australia	1.6%	0.3%
Thailand	0.2%	0.2%
UAE	0.2%	0.2%
Belgium	0.3%	0.2%
Singapore	0.3%	0.2%
Saudi Arabia	0.3%	0.2%
Italy	0.8%	0.2%
Spain	0.8%	0.2%
Netherlands	1.0%	0.2%
Philippines	0.0%	0.1%
Greece	0.1%	0.1%
Mexico	0.2%	0.1%
Pakistan	0.0%	0.0%
Iceland	0.0%	0.0%
Egypt	0.0%	0.0%
Colombia	0.0%	0.0%
Romania	0.0%	0.0%

Czechia	0.0%	0.0%
Hungary	0.0%	0.0%
Portugal	0.0%	0.0%
New Zealand	0.1%	0.0%
Ireland	0.1%	0.0%
Kuwait	0.1%	0.0%
Turkey	0.1%	0.0%
Poland	0.1%	0.0%
Indonesia	0.1%	0.0%
Finland	0.3%	0.0%
Israel	0.3%	0.0%
South Africa	0.4%	0.0%
Hong Kong	0.5%	0.0%
Switzerland	2.0%	0.0%

Source: FTSE Russell/LSEG. Data as at December, 2025.

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