LSEG Lipper® Fund ESG scores

A pivotal data metrics partner for the transition to sustainable investing

LSEG recognises the increasingly critical importance of transparent, accurate and comparable Environmental, Social and Governance (ESG) data and analytics for the fund management industry. We are committed to bringing an array of best-in-class data, analytics and workflow solutions to the market which allow customers to use LSEG data as the backbone of their investment processes. LSEG is an LSEG business.

With LSEG you can easily integrate ESG factors into portfolio analysis, equity research, screening or quantitative analysis.

We are now combining LSEG Lipper's leading global fund database, covering over 370,000 fund share classes, with our leading ESG company database representing over 88% of global market cap – to create Fund ESG scores. Objective, transparent, comprehensive.

This dataset is available across many of our products, including desktop Eikon® and LSEG Workspace, through our global data feeds and API.

ESG dataset and scoring

LSEG offers one of the most comprehensive ESG databases in the industry: more than 15,000 companies globally and counting, across over 700 different ESG metrics with history going back to 2002.

ESG Scores from LSEG are designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes within the three pillars Environmental, Social and Governance:

The model comprises two overall ESG scores:

1. **ESG scores** – measures a company's or fund's ESG performance based on verifiable reported data in the public domain
2. **ESG combined (ESGC) score** – overlays the ESG score with ESG controversies (impact of negative events) to provide a comprehensive evaluation on the company's sustainability impact and conduct in near-real time

Three total pillar scores serve as a review of how a fund or company is performing according to each of the three individual pillars E, S and G.

Impartiality: our core strength

We remain committed to keeping our scoring system one of the industry's most objective. Our ESG scores are calculated using a data-driven approach. Our ESG scoring methodology details our extensive range of calculation principles. Three of our core principles are:

Relative benchmarks – comparable industry and country scoring offering accurate peer analysis

A materiality matrix – as the importance of ESG factors differs across industries, our materiality weighting determines the relative importance of each ESG theme to each industry group

Transparency weighting – company disclosure is key to our methodology, so not reporting data points negatively affects a company's score
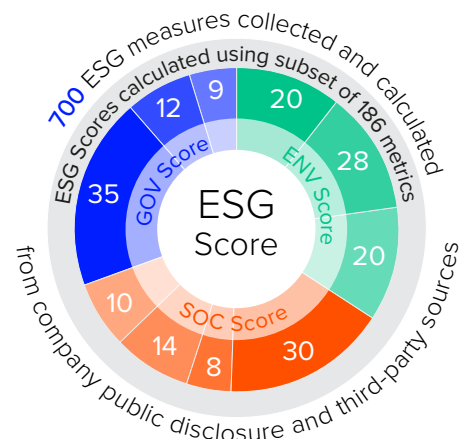
| Environmental		Governance	
🟢 Resource use		🔵 Management	
🟢 Emissions		🔵 Shareholders	
🟢 Innovation		🔵 CSR strategy	
Social			
🔴 Workforce			
🟠 Human rights			
🟠 Community			
🟠 Product responsibility			

LSEG DATA & ANALYTICS

Portfolio analytics

A full suite of analytical tools illustrates how each constituent of a portfolio is performing against peers and benchmarks — or enables a more granular view on how each of a fund's holdings perform against the 10 main themes identified in the ESG proposition. Get a summary analysis of a portfolio's exposure using our ESG analytical tools.

The scores are designed to enable our clients to assess and integrate ESG underlying raw metrics, analytics or scores into their investment processes and workflows.
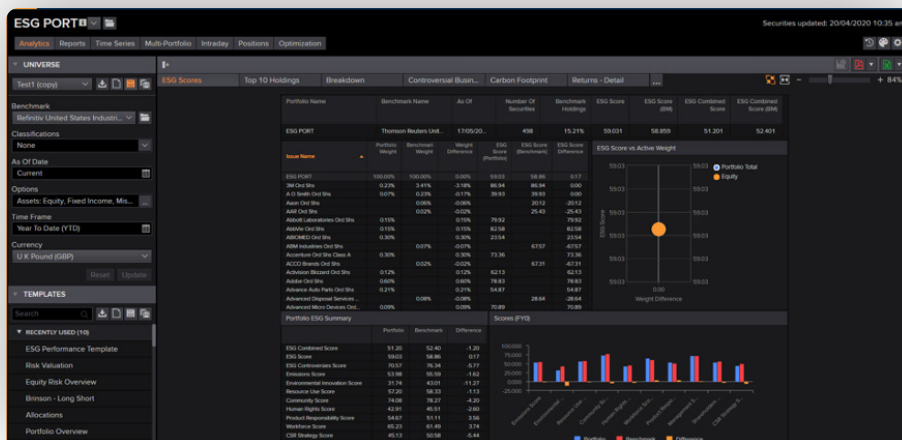
LSEG Lipper Fund ESG scores

In addition to security-level portfolio analytics, we offer LSEG Lipper Fund ESG scores which help identify funds whose underlying holdings are transparent and have stronger ESG performance based on reported data relative to peers. All the scores are rolled up from the security level (holdings) to give a fund-level score.

Users can combine the results with sustainable finance regulatory disclosures and responsible investing data, in conjunction with the traditional Lipper peer groups and attributes. Only funds that meet our eligibility criteria will have a LSEG Lipper Fund ESG score calculated.

To qualify, a portfolio must have a minimum of 10 securities and individual ESG security scores must be available for 70% of the portfolio.

For illustration purpose only