Roadmap
การประเมิน FTSE Russell ESG Scores

นรีรัตน์ สันธยาติ

ผู้อำนวยการ ฝ่ายพัฒนาการลงทุนอย่างยั่งยืน

ตลาดหลักทรัพย์แห่งประเทศไทย

Agenda

1 Roadmap & Timeline

2 FAQs การยกระดับการประเมิน SET ESG Ratings สู่มาตรฐานสากล

3 Current Support from SET

4 What's Next

	SET ESG Ratings	**FTSE Russell ESG Scores**
การเข้าร่วมประเมิน	บริษัทจดทะเบียนเข้าร่วมโดยสมัครใจ ตั้งแต่ปี 2558	• บริษัทจดทะเบียนที่อยู่ใน SET ESG Ratings และดัชนี SET100 Index • เปิดให้บริษัทจดทะเบียนสมัครเข้าร่วมเพิ่มเติมได้ (ปี 2568 เป็นต้นไป)
วิธีการประเมินและแหล่งข้อมูลที่ใช้	ตอบแบบประเมิน โดยใช้ • ข้อมูลที่เปิดเผยสู่สาธารณะ • ข้อมูลเชิงลึกของบริษัท (Self-declared information)	ไม่ต้องตอบแบบประเมิน โดยใช้ข้อมูลที่เปิดเผยสู่สาธารณะเท่านั้น
มุมมองการประเมิน	ประเมินจากนโยบาย กลยุทธ์ กระบวนการ และการติดตามวัดผล โดยเน้นที่กระบวนการ	ประเมินจากนโยบาย กลยุทธ์ กระบวนการ และการติดตามวัดผล โดยเน้นที่ผลการดำเนินงานเมื่อเทียบกับเป้าหมาย
จำนวนตัวชี้วัดที่ใช้ประเมิน	**140-150+ ตัวชี้วัด** • คำถามทั่วไป: 90% • คำถามตามลักษณะการประกอบธุรกิจ: 10%	**125-300+ ตัวชี้วัด** • คำถามทั่วไป: 56% • คำถามตามหมวดธุรกิจย่อยและประเทศที่ตั้ง: 44%
การรีวิวผลประเมิน	บริษัทไม่มีสิทธิ์รีวิวผลประเมิน	บริษัทมีสิทธิ์รีวิวผลประเมินและให้ข้อมูลเพิ่มเติมได้
ผลคะแนน	BBB-AAA (ประกาศผลเฉพาะบริษัทที่ผ่านเกณฑ์)	0.0-5.0 (ประกาศผลของทุกบริษัทที่ได้รับการประเมิน)

1 | Roadmap & timeline

2566	2567	2568	2569	2570 เป็นต้นไป

SET ESG Ratings

- 2567: ✅
- 2568: ✅
- 2569: ❌
- 2570: ❌

FTSE ESG Scores

2-year transition – SET ไม่ประกาศผลคะแนน

2567: ✅

Coverage	227
1. SET ESG Ratings '66	192
2. SET100 Index	35

2568: ✅

Coverage: 300+ (F)

1. SET ESG Ratings '66 – 67
2. SET100 Index
3. บจ. สมัครใจ

Implementation – SET ประกาศผลคะแนน

2569: ✅

Coverage: 350+ (F)

1. SET ESG Ratings '66-68
2. SET100 Index
3. บจ. สมัครใจ

2570: ✅

Coverage: 400+ (F)

1. FTSE assessment '69
2. SET100 Index
3. บจ. สมัครใจ

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การประเมินโดย FTSE Russell จะเริ่มเมื่อใด SET ESG Ratings จะยังมีอยู่ไหม

- ในปี 2567-2568 SET จะดำเนินโครงการประเมินนำร่องโดย FTSE Russell และจะยังมีการประเมิน SET ESG Ratings ควบคู่ไปด้วย เพื่อให้ทุกฝ่ายมีเวลาในการปรับตัวและเตรียมความพร้อม

- ในช่วงโครงการนำร่อง SET จะ<u>ไม่</u>ประกาศ FTSE Russell ESG Scores สู่สาธารณะ แต่ บจ. ที่ได้รับการประเมินจะได้รับทราบผลคะแนนของตัวเอง ผ่าน Online portal ของ FTSE Russell

- ในปี 2569 SET จะเริ่มประกาศผลประเมินสู่สาธารณะ และยกเลิกการประเมิน SET ESG Ratings

## บริษัทจดทะเบียนต้องมีค่าใช้จ่ายในการประเมินโดย FTSE Russell หรือไม่

ไม่มีค่าใช้จ่าย

ถ้าบริษัทได้รับการประเมินจาก FTSE Russell อยู่แล้ว ต้องมีการประเมินเพิ่มเติมจากเดิมหรือไม่

การประเมิน FTSE Russell ESG Scores โดยความร่วมมือระหว่าง SET และ FTSE Russell นี้ คือการประเมินเดียวกันกับที่ FTSE Russell ใช้จัดทำ FTSE4Good Index

หาก บจ. อยู่ในรายชื่อ FTSE4Good Index อยู่แล้ว หมายความว่าบริษัทได้รับการประเมิน FTSE Russell ESG Scores อยู่แล้ว เป็นการประเมินเดียวกัน ไม่มีการประเมินแยกเพิ่มเติม
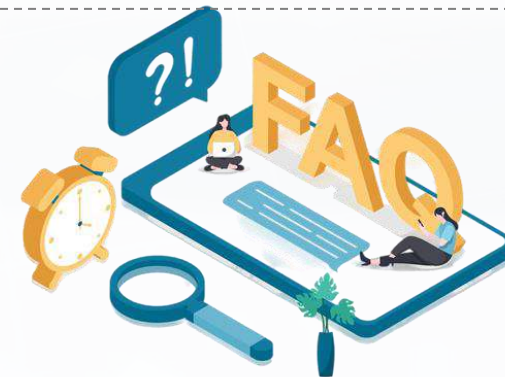
การประเมิน ESG Rating จะเป็นการประเมินแบบภาคบังคับหรือไม่

SET ไม่ได้กำหนดให้การประเมิน ESG เป็นภาคบังคับสำหรับ**ทุก บจ.** อย่างไรก็ดี บริษัทที่มีความพร้อมทั้งในแง่การดำเนินงานด้าน ESG และใน Market Cap. ควรเข้ารับการประเมินตามมาตรฐานสากล จึงกำหนดให้ บจ. ที่อยู่ในหุ้นยั่งยืน SET ESG Ratings และ บจ. ที่อยู่ใน SET100 Index อยู่ใน Coverage การประเมินโดย FTSE Russell (ไม่สามารถเลือกที่จะไม่ถูกประเมินได้)

บริษัทที่เพิ่งเข้าประเมิน SET ESG Ratings ในปีนี้ (2567) จะอยู่ใน Coverage ของการประเมิน FTSE Russell ESG Scores ของปีนี้ หรือปีหน้า

บจ. ที่สมัครเข้าร่วมการประเมิน SET ESG Ratings ประจำปี 2567 จะต้องผ่านเกณฑ์และ ได้รับคัดเลือกให้อยู่ในหุ้นยั่งยืน SET ESG Ratings ประจำปี 2567 ก่อน (ประกาศผลใน เดือน ธ.ค. 2567) จึงจะได้อยู่ใน Coverage การประเมินโดย FTSE Russell ในปี 2568

การเปิดเผยข้อมูลต้องเป็นภาษาอังกฤษทั้งหมดเพื่อรองรับการประเมินจาก FTSE Russell หรือไม่

SET แนะนำให้ บจ. เปิดเผยข้อมูลเป็นภาษาอังกฤษ เนื่องจาก FTSE Russell จะประเมินข้อมูลจากภาษาอังกฤษเป็นหลัก

Public Data ที่ FTSE Russell จะเข้าไปประเมินอยู่บนแพลตฟอร์มเดียวหรือหลายแพลตฟอร์ม

FTSE Russell จะประเมินข้อมูลที่ บจ. เปิดเผยสู่สาธารณะ ทั้งจากรายงานประจำปี รายงานความยั่งยืน และข้อมูลบนเว็บไซต์ของบริษัท เป็นต้น

ในช่วงที่ FTSE Russell เปิดให้บริษัทรีวิวผลประเมิน บจ. สามารถให้ข้อมูลเพิ่มเติมเป็น Internal Documents ได้หรือไม่

ในการประเมินโดย FTSE Russell บจ. จะมีช่วงเวลาสำหรับการรีวิวผลประเมินของตนเองประมาณ 4 สัปดาห์

ในกรณีที่ บจ. ไม่เห็นด้วยกับผลประเมิน หรือเห็นว่าข้อมูลที่ใช้ในการประเมินไม่ครบถ้วน บจ. สามารถให้ข้อมูลเพิ่มเติมได้ แต่ต้องเป็นข้อมูลที่ บจ. เปิดเผยสู่สาธารณะอยู่แล้ว (Public Disclosures) เท่านั้น เนื่องจาก FTSE Russell ไม่รับพิจารณาเอกสารภายใน

ในปี 2567-2568 จะมีการเปิดเผยคะแนน FTSE Russell ESG Scores (0-5) ควบคู่ไปกับการให้ SET ESG Ratings (BBB-AAA) หรือไม่

ผลประเมิน FTSE Russell ESG Scores จะประกาศสู่สาธารณะในปี 2569 เป็นต้นไป สำหรับรายชื่อหุ้นยั่งยืน SET ESG Ratings SET จะยังคงมีการประกาศผลเช่นเดิม ในปี 2567-2568

ผลประเมินโดย FTSE Russell จะแตกต่างจากผลประเมิน SET ESG Ratings มากน้อยแค่ไหน

เนื่องจาก Methodology ในการประเมินของทุก Rater ย่อมมีความแตกต่างกัน จึงไม่สามารถนำผลประเมินมาเปรียบเทียบกันได้ตรง ๆ

จากการศึกษาเบื้องต้น โดยวิเคราะห์ผลคะแนนของ บจ. ที่ได้รับการประเมินโดย FTSE Russell อยู่เดิมพบว่า บริษัทเหล่านี้ได้รับ FTSE Russell ESG Scores สอดคล้องกับ SET ESG Ratings เกือบทั้งหมด

ดังนั้น หาก บจ. มีการดำเนินงานและเปิดเผยข้อมูล ESG ที่เป็น Material Issues ของ ตนเองได้อย่างเหมาะสมครบถ้วน ก็มีแนวโน้มที่จะได้ผลคะแนนที่สะท้อนการดำเนินงาน

บริษัทไม่ยินยอมให้เผยแพร่ผลประเมิน FTSE Russell ESG Scores ได้หรือไม่

หาก บจ. อยู่ใน Coverage การประเมินโดย FTSE Russell แล้ว <u>ไม่</u>สามารถเลือกที่จะ ไม่เผยแพร่ FTSE Russell ESG Scores ของบริษัทได้

อย่างไรก็ดี ในปี 2567-2568 SET จะดำเนินโครงการประเมินนำร่อง โดยยังไม่เปิดเผย ผลคะแนนของบริษัทสู่สาธารณะ แต่ บจ. ที่ได้รับการประเมินจะได้รับทราบผลคะแนนของ ตัวเอง เพื่อให้มีเวลาปรับตัวและเตรียมความพร้อมเพื่อพัฒนาการดำเนินงานต่อไป

จะมั่นใจได้อย่างไรว่าบริษัทที่มี ESG Ratings ดี จะมีการดำเนินงานที่มีการกำกับดูแลกิจการที่ดี โปร่งใส ตรวจสอบได้

ESG Ratings หรือ Scores เป็นเพียงเครื่องมือหนึ่งที่เข้ามาเป็นตัวช่วยในการพิจารณา ตัดสินใจลงทุน ผู้ลงทุนควรพิจารณาข้อมูลอื่น ๆ ประกอบกัน เช่น ข้อมูลทางการเงิน และ ข้อมูลข่าวสารที่สะท้อนความน่าเชื่อถือ ความโปร่งใส และการบริหารจัดการของบริษัท

3 | Current Support from SET

Guideline and Methodology

Learning Materials

4 | What's Next – Upcoming Events

27 ส.ค. 2567

Training Series 101

FTSE Russell ESG Scores:
เข้าใจ Methodology การประเมิน

30 ส.ค. – 13 ก.ย. 2567

Training Series 102

Workshop on FTSE Russell ESG Scores:
เจาะลึกหัวข้อการประเมิน

TBC

Webinar

สรุป Key Findings
จากการประเมินโดย FTSE Russell

Training series 102

Workshop on FTSE Russell ESG Scores
เจาะลึกหัวข้อการประเมิน

Training series 102: Workshop on FTSE Russell ESG Scores - เจาะลึกหัวข้อการประเมิน

วัตถุประสงค์	ทำความเข้าใจเกี่ยวกับหัวข้อการประเมินในแต่ละมิติ ตามหมวดธุรกิจย่อย (Subsectors) ตามเกณฑ์การประเมินของ FTSE Russell

ลงทะเบียนเข้าร่วม กิจกรรม	**Onsite** ณ อาคารตลาดหลักทรัพย์ฯ (ไม่เกิน 3 ท่าน / บริษัท) ภายในวันที่ 29 ส.ค. 2567

Workshop 1 วัน 8 รุ่น (30 ส.ค. – 13 ก.ย. 2567)

เวลา	หัวข้อ
9.00-9.10 น.	กล่าวเปิด
9.10-10.00 น.	FTSE Russell ESG Scores Methodology
10.00-10.15 น.	Coffee Break
10.15-12.00 น.	เจาะลึกหัวข้อการประเมินใน Environmental Pillar
13.00-14.50 น.	เจาะลึกหัวข้อการประเมินใน Social Pillar
14.50-15.00 น.	Coffee Break
15.00-15.45 น.	เจาะลึกหัวข้อการประเมินใน Governance Pillar
15.45-16.30 น.	Sharing
16.30-17.00 น.	Q&A

4 | What's Next – Training Series 102

กลุ่ม 1

Subsectors

Food Products

Farming & Fishing

Soft Drinks

Broadline Retailers

Diversified Retailers

จำนวนบริษัท **Date**

25 30 ส.ค. 2567

กลุ่ม 2

Subsectors

Real Estate Holding & Development

Heavy Construction

Building Materials & Fixtures

Building Materials: Other

จำนวนบริษัท **Date**

33 2 ก.ย. 2567

กลุ่ม 3

Subsectors

Oil Refining and Marketing

Coal

Conventional Electricity

Alternative Electricity

Exploration & Production

Water

Integrated Oil & Gas

จำนวนบริษัท **Date**

30 5 ก.ย. 2567

4 | What's Next – Training Series 102

กลุ่ม 4

Subsectors

Asset Managers

Consumer Finance

Specialty Finance

Life Insurance

Reinsurance

Property and Casualty Insurance

Investment Services

Banks

Diversified Financial Services

จำนวนบริษัท	Date
30	9 ก.ย. 2567

กลุ่ม 5

Subsectors

Computer Hardware

Semiconductors

Telecommunications Equipment

Computer services

Mobile telecom

Cable Television Services

Health care providers

Medical supplies

Media Agencies

จำนวนบริษัท	Date
27	4 ก.ย. 2567

กลุ่ม 6

Subsectors

Commodity Chemicals

Specialty Chemicals

Iron & Steel

Nonferrous Metals

Textile Products

จำนวนบริษัท	Date
17	6 ก.ย. 2567

4 | What's Next – Training Series 102

กลุ่ม 7

Subsectors

Airlines

Transportation Services

Recreational Services

Travel & Tourism

Education Services

Broadcasting & Entertainment

Marine transportation

Restaurants and Bars

Hotels

จำนวนบริษัท

34

Date

10 ก.ย. 2567

กลุ่ม 8

Subsectors

Tires

Auto Parts

Industrial Suppliers

Containers & Packaging

Business Support Services (Industrial group)

Electrical Components & Equipment

Clothing & Accessories

Cosmetics

Personal Products

จำนวนบริษัท

31

Date

13 ก.ย. 2567

Contact Details

เกี่ยวกับการยกระดับ SET ESG Ratings สู่ FTSE Russell ESG Scores

SETsustainability@set.or.th

เกี่ยวกับ FTSE Russell ESG Data Model และ SID Platform

FTSE4GOOD@FTSERussell.com

SET – FTSE Russell Capacity Building Seminar

An introduction to FTSE Russell ESG Scores

Alexis R. Rocamora

Sustainable Finance & Investment Lead, APAC

Bangkok, Thailand

August 2024

FTSE RUSSELL
An LSEG Business

SUSTAINABLE GROWTH

Today's agenda

Who are we?

1

Global trends in ESG investing

2

Wrap-up time

FTSE Russell ESG Data Model

3

ESG Themes and indicators

4

Wrap-up time

Calculating ESG Scores

5

Wrap-up time

Industry Classification Benchmark

6

Resources

7

SUSTAINABLE GROWTH

LSEG

Who are we?

LSEG and FTSE Russell

FTSE RUSSELL
An LSEG Business
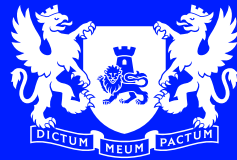
LSEG

LSEG is a leading global financial markets infrastructure and data provider. We play a vital social and economic role in the world's financial system.

With our trusted expertise, global scale, and foundational financial and transaction services — data, analytics, risk, collateral and processing solutions, capital formation and trade execution — we enable the sustainable growth and stability of our customers and their communities.

LSEG FX

LSEG DATA & ANALYTICS

LSEG RISK INTELLIGENCE

LSEG POST TRADE

LONDON STOCK EXCHANGE
An LSEG Business

FTSE RUSSELL
An LSEG Business

LSEG

Three strategic pillars of our sustainability approach:

Accelerate the just transition to net zero

Decarbonising the whole global economy is critical to minimise the worst consequences of climate change. We are leveraging LSEG's unique market position, capabilities, products, and services to support a global reallocation of capital which shares the costs and benefits of reaching net zero fairly between and within countries.

Enable growth of the green economy

To deliver sustainable economic growth, more economic activity must focus on creating, scaling, and delivering solutions to the world's environmental and social challenges. LSEG has a pivotal role in helping those solutions to thrive by enabling more capital to flow towards sustainable economic activity.

Create inclusive economic opportunity

Inclusive economies enable more people to participate in, and benefit from, economic growth, regardless of their gender, ethnicity, social background, political or religious beliefs. We aim to empower economies, communities and individuals by championing inclusion and opening up economic opportunity.

SUSTAINABLE GROWTH

LSEG

Sustainable growth: Key Workflows on Sell-side & Buyside

- Auditable ESG Data
- Workspace – New SFI Dashboard
- Climate Data Package

- SFDR Advanced & Professional
  - EU Taxonomy
- European ESG Template (EET)

Equity Research

Regulatory Reporting

- DSS, IFR & LPC Loan Connector
- Green & Sustainability Linked Bonds
- Infra360 for Project Finance

SusFin Cap Markets

Climate Risk

- ESG data for 85% of market cap
  - Climate Data Package
- Green Revenues & EU Taxonomy

- Lipper European ESG Template (EET)
- ESG Data & Product Involvement
- Green Revenues & Controversies

Distribution

Wealth Management

- Lipper ESG & Responsible Investments
- EET Data for Sustainability Preferences

SUSTAINABLE GROWTH

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LSEG

FTSE Russell sustainability framework

	How a company operates			**What a company manufactures**		
Data Type	**ESG**		**CO$_2$e**	**Fossil Fuels**	**Green Revenues**	**Exclusion**
Data Model	ESG Scores	Controversy Monitor	Emissions	Reserves	Green Revenues	Business Involvement
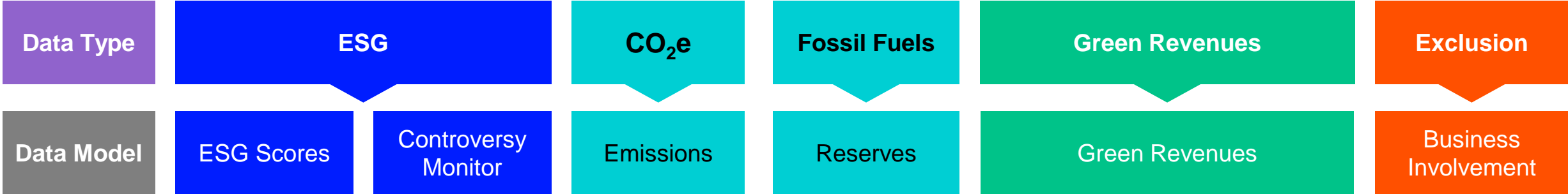
ESG data model

- Easy identification of companies with strong/weak ESG practices
- Search, screen and analyse the ESG scores of over 7,200 companies
- Portfolio and index foot printing for ESG scores
- Rapid design and upload of ESG portfolios or baskets
- Input ESG portfolios into the client platform

Green Revenues data model

- Easy identification of companies with green revenues
- Detailed 10-year green revenues history of c20,000 large, mid and small cap companies
- Portfolio and index foot printing for green revenue exposure
- Rapid design and upload of green portfolios or baskets
- Understand Green Revenues 'hotspots' with attribution analysis compared with an index or another uploaded portfolio
- Maintain representative Green Revenues portfolios in the client web platform (SID), updated on a daily basis

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LSEG partnerships and engagements with the industry

Critical enabler for key finance sector initiatives	Group CEO is a **GFANZ** CEO Principal and co-Chairs Corporate transition strategy workstream with NatWest and AXA. Founding member of **PRI** and a longstanding member of major country/regional **sustainable investment forums** (SIFs). Founder of **FoSDA** – Future of Sustainable Data Alliance, a partnership with peers in data & analytics. Also an active member of **OS-Climate**.
Fertile collaboration with academia	Data provider to the **Transition Pathway Initiative,** a global asset owners initiative focussed on climate transition. Partnership and close working relationship with **London School of Economics** Grantham Institute. **Centre for Greening Finance & Investment -** Advisory Board Member. FTSE Russell **World Investment Forum** annual high impact event w/ top academics and asset owners – SI integrated through agenda. Academic partnership with **Cambridge University**.
Galvanising action among Exchanges	**A member of the UN SSE initiative**, chairing the workstream with 20 exchanges developing climate reporting model guidance. Joint ESG indexes and local market engagement of issuers and investors w/ **JSE, Bursa Malaysia** and **TWSE** to support local SI mandate adoption. Broad collaboration w/**JPX** across sustainable finance. Member of **WFE** sustainability working group.
Trusted sounding board for Regulators & Policymakers	One of the 20 members of the **EU** High Level Group on Sustainable Finance and the 30 member EU Technical Expert Group. Participation in the FCA/PRA Climate Financial Risk Forum to influence regulatory focus on sustainable finance. Work closely with the **China** Green Finance Committee and the **Monetary Authority of Singapore** and are represented on their Green Finance Industry Taskforce (GFIT). They co-funded our Singapore SFI Innovation Lab.

Global trends in ESG investing

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Sustainable investment data – required information for investors

SI is being implemented across asset classes, whilst many asset owners are incorporating sustainability within strategic asset allocation models or frameworks

Asset classes for which SI considerations have been implemented or are being considered

86%
of asset owners globally are implementing SI in their investment strategies

44%
are currently considering how to incorporate climate or sustainability within strategic asset allocation, 24% already do

Derived through a series of more specific questions: 1) AD1. Is your organization (or office) currently implementing any form of sustainability considerations in your investment strategy (i.e., exclusions, climate risk, fossil fuel/ high carbon divestment, green investment, thematic ESG investing, impact investing, social factors, ESG integration etc.)?; 2) AD2. Is your organization (or office) currently evaluating or has it previously evaluated implementation of sustainability considerations in your investment strategy?
AP7. Are you incorporating sustainability or climate considerations into your strategic asset allocation (SAA) framework, including around long-term market returns forecasting and investment risk?
Total Respondents (Total n=184; Asset Owners only)
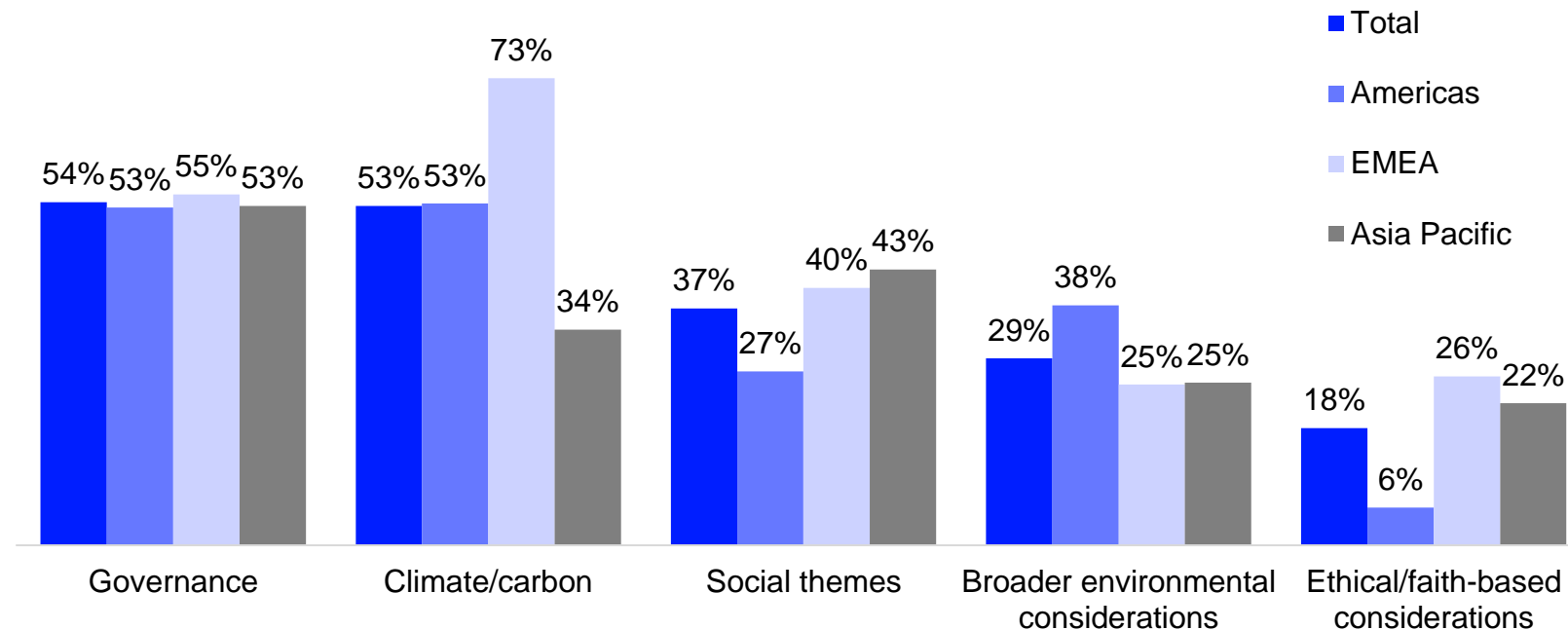
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Sustainability as a priority focus for Asset Owners

- **Sustainability remains a priority focus** for asset owners across various regions.

- **Governance is a priority that has significantly risen across all regions**, the first year we have seen complete regional alignment on the top priority. The priority level of governance increased notably to 54% globally.

- **Climate/carbon is an enduring priority** that is reflected in a large spike this year with 73% of asset owners in EMEA citing this focus area, compared with just 36% in 2022.

Asset owners commit to maturing sustainable investment strategies

2023 global survey findings from asset owners

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Source: Sustainable investment asset owner survey 2023 | LSEG

Percentage of Asset Owners for which sustainability issues are a priority focus

Legend:
- Total
- Americas
- EMEA
- Asia Pacific

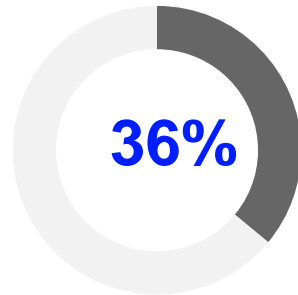| Category	Total	Americas	EMEA	Asia Pacific
Governance	54%	53%	55%	53%
Climate/carbon	53%	53%	73%	34%
Social themes	37%	27%	40%	43%
Broader environmental considerations	29%	38%	25%	25%
Ethical/faith-based considerations	18%	6%	26%	22%

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Greenwashing: Asset owners raise concerns

- Greenwashing is the concept of making false environmental claims (intentionally or unintentionally) to mislead customers.

- Asset owners flag that **reputational risk of greenwashing may negatively impact their sustainable investment strategies**.

Asset owners commit to maturing sustainable investment strategies

2023 global survey findings from asset owners

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Source: Sustainable investment asset owner survey 2023 | LSEG

36% of those who have not yet implemented sustainable investments say they are concerned about potential reputational risk of greenwashing linked to sustainable investments
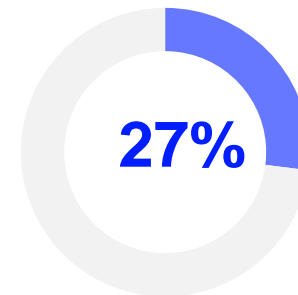
27% of those who have implemented some sustainable investment considerations agree that it's a barrier to further adoption

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Investors' expectations on ESG performance and reporting

Investors want businesses that:

Engage in **active discussion** around human rights and community issues;

Demonstrate **operational robustness and reputational resilience** by addressing their impact on the communities in which they operate;

Have strong and positive **relationships with communities**

Key sources of investment risks and opportunities:

Regulatory: costs associated with regulatory compliance;

Market: increased exposure to human rights risks in supply chain;

Reputation: risks caused by community relations and human rights issues;

Operations: increased chance of operational shut-downs or revocation of licenses, if the local community resists the presence of the business

Example of FTSE indicator
Stakeholder engagement to verify human rights risks and impacts:
a. Evidence of consultation taking place
b. Documented meetings OR reports of how results have been used

Example of FTSE indicator
Total amount of corporate or group donations/community investments made to registered not-for-profit organisations

Source: LSEG Guide to ESG reporting

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How to get started on ESG disclosures?

- To understand a company's long-term prospects, **investors will focus on those issues that they believe to be most relevant – or 'material' – to any particular business.**

- Companies should explain which ESG issues they see as most relevant or material to their business by showing how these ESG issues may affect their business, e.g. through legislation, reputational damage, employee turnover, licence to operate, legal action or stakeholder relationships.

What can companies expect to disclose?

- FTSE Russell's ESG model covers 14 themes adapted to reflect their materiality to each company. As an illustration, we look at the **Climate Change** theme that is material for most companies.

Source: LSEG Guide to ESG reporting

Summary of SEC Thailand Guidelines for asset managers

- In line with the IOSCO Environmental, Social and Governance (ESG) Ratings and Data Products Providers Final Report, the SEC has launched its "Guidelines for assessing qualifications and selecting performance evaluators in sustainability according to international standards for asset management companies"

- Aims to assist asset management companies in Thailand in selecting assessors who provide ESG rankings/scoring and ESG information product services

Elements in the checklist for asset managers

1. Qualifications of the evaluator:

- Credibility

- Independence and Impartiality

- Transparency

2. Examination of objectives, methods and data quality used by the evaluator in ESG rankings/ratings or ESG products

- Objective verification

- Verification of methodologies

- Data quality

3. Consideration of scope and coverage of the information provided by the evaluator used in ESG rankings/ratings or providing ESG information products

- Coverage of ESG issues in many dimensions

- Coverage in terms of countries and/or sectors (sectoral coverage)

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Summary of SEC Guidelines

Elements in the checklist for asset managers

4. Examination of the ESG assessment process ("ESG assessment process")

- Reliability of the ESG assessment process used by the assessor

5. Assessment of materiality ("materiality")

- Understanding how evaluators consider ESG materiality
- ESG materiality of the appraiser In line with the view of the mutual fund company or not

6. Examination of assessment results and reporting

- Inspection of evaluation results and raying/rating report, ESG score or data product, checking the format for clarity and frequency of the above reports as well as readiness for use
- Evaluation of response
- Ranking/Rating results
- ESG or ESG data products

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IOSCO Recommendations and ICMA Code of Conduct for ESG Ratings and data product providers

- To promote consistency further, an ESG Data and Ratings Working Group, initiated by the UK FCA and led by ICMA, developed an international Code of Conduct that is entirely aligned with IOSCO's recommendations.
- LSEG co-chaired the development of the ICMA Code of Conduct, hosted its launch in January 2024, and supports its adoption across global markets.

The Code is structured around four key outcomes:

Good Governance	ESG ratings and data products providers are expected to ensure appropriate governance arrangements are in place that enable them to promote and uphold the Principles and overall objectives of the Code.
Systems and Controls	ESG ratings and data products providers are expected to adopt and implement written policies and procedures designed to help ensure the issuance of high quality ESG ratings and data products.
Management of Conflicts of Interest	ESG ratings and data products providers are expected to identify, avoid or appropriately manage, mitigate and disclose actual or potential conflicts of interest that may compromise the independence and objectivity of ESG ratings and data products providers' operations.
Transparency	ESG ratings and data products providers are expected to make adequate levels of public disclosure and transparency a priority for their ESG ratings and data products. This includes their methodologies and processes to enable users to understand the product and any associated potential conflicts of interest, while maintaining a balance with respect to proprietary or confidential information, data and methodologies.

FTSE Russell ESG Data Model
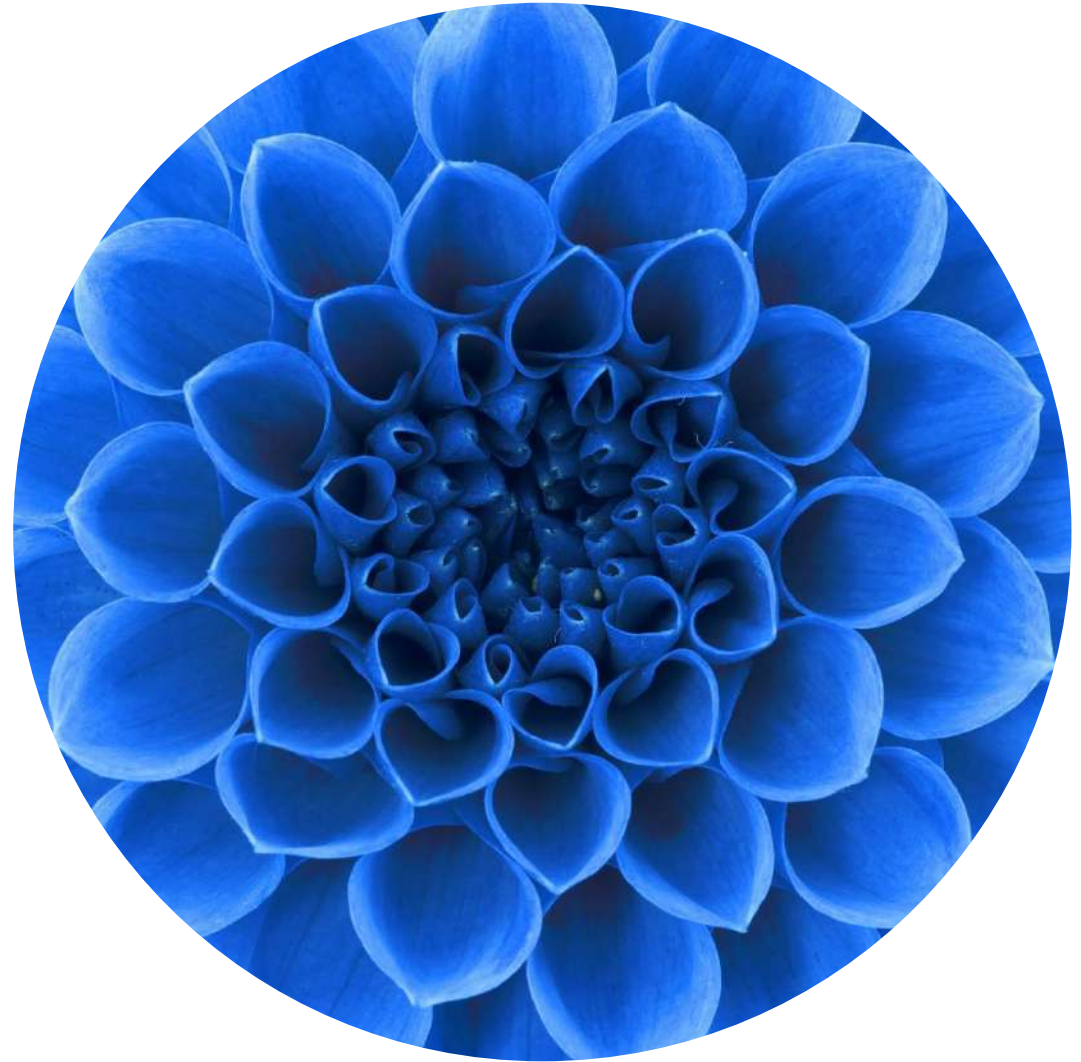
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Key pillars of our approach to ESG data

Quantitative

Trust indices built with credible ESG and climate data, quantitative methodologies, tested frameworks and next-generation forward-looking metrics

- Based on FTSE Russell and LSEG's long history in producing market leading ESG & climate data series
- Relying on quantitative methodologies and tested ESG & climate frameworks
- Forward-looking metrics and datasets

Material

Measure and quantify the materiality of ESG and climate issues based on deep knowledge of the sustainability challenges

- Based on deep knowledge of the sustainability challenges
- Accelerating the integration of Environment, Social and Governance criteria and climate in the risk assessment and investment strategy of investors
- Solutions for determining ESG integration & climate transition activities and managing risk and opportunity is central to our approach on sustainability
- Actionable insights to measure and quantify the financial materiality of ESG and climate factors

Objective

Rules-based methodology allows for transparency and objectivity and adherence to market regulation or policy guidance

- Innovative, multi-asset class approach to meeting regulatory objectives
- Powering index, data, analytics and thematic solutions for investors who want to build a selective portfolio
- Aligned with emerging climate and sustainability standards and regulatory requirements (TCFD, SFDR, EU Taxonomy)

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Overview of the ESG Data Model

FTSE Russell's ESG Scores and data model allows investors to understand a company's **exposure to, and management of, ESG issues** in multiple dimensions. An ESG score is made of three pillars, Environmental, Social and Governance.

Data Structure Overview

- The ESG Scores are comprised of an **overall Score** that breaks down into **Pillars and Theme Exposures and Scores**.
- The Pillars and Themes are built on over **300 individual indicators** that are applied to each company's unique circumstances.
- An **average of 125 indicators** are applied per company.

ESG

Pillar	Theme	Indicators
Environment	Biodiversity	13 indicators
	Climate change	29 indicators
	Pollution & Resources	23 indicators
	Water Security	33 indicators
	Supply Chain: Environment	24 indicators
Social	Customer Responsibility	58 indicators
	Health & Safety	37 indicators
	Human Rights & Community	15 indicators
	Labour Standards	24 indicators
	Supply Chain: Social	45 indicators
Governance	Anti-corruption	13 indicators
	Corporate Governance	40 indicators
	Risk Management	16 indicators
	Tax Transparency	6 indicators

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Continuously evolving assessment criteria

	2001	2012	2014	2017	2019	2021
	Launch of FTSE4Good Index Series	**FTSE4Good Scores launch**	**Enhanced ESG methodology**	**Climate TCFD alignment**	**Update of the Human Rights assessment**	**Climate theme replaced by TPI MQ**
E	– Basic Environmental Criteria	– Environmental Management – Climate Change	– Biodiversity – Climate Change – Pollution & Resources – Water Use – Supply Chain - Environmental	– Climate Change Enhancement with TCFD recommendations		– Replacement of the Climate Change theme by the Management Quality (MQ) scores of the Transition Pathway Initiative (TPI)
S	– Basic Human Rights Criteria	– Supply Chain Labour Standards – Human & Labour Rights	– Customer Responsibility – Health & Safety – Human Rights & Community – Labour Standards – Supply Chain – Social		– Human Rights & Community assessment update	
G		– Anti-Bribery – Corporate Governance	– Anti-Corruption – Corporate Governance – Risk Management – Tax Transparency			

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Coverage of Thai companies by FTSE Russell's ESG data set

Market size of the Thai companies within industries of the current coverage

Large Cap Mid Cap Small Cap

Banks: 1 / 4
Basic Resources: 1
Chemicals: 1 / 1
Construction & Materials: 1 / 1
Financial Services: 3
Food & Beverage: 4
Health Care: 1 / 1 / 1
Industrial Goods & Services: 3 / 2
Insurance: 2
Oil & Gas: 2 / 2
Real Estate: 3 / 1
Retail: 2 / 3
Technology: 1
Telecommunications: 2
Travel & Leisure: 1
Utilities: 4 / 2
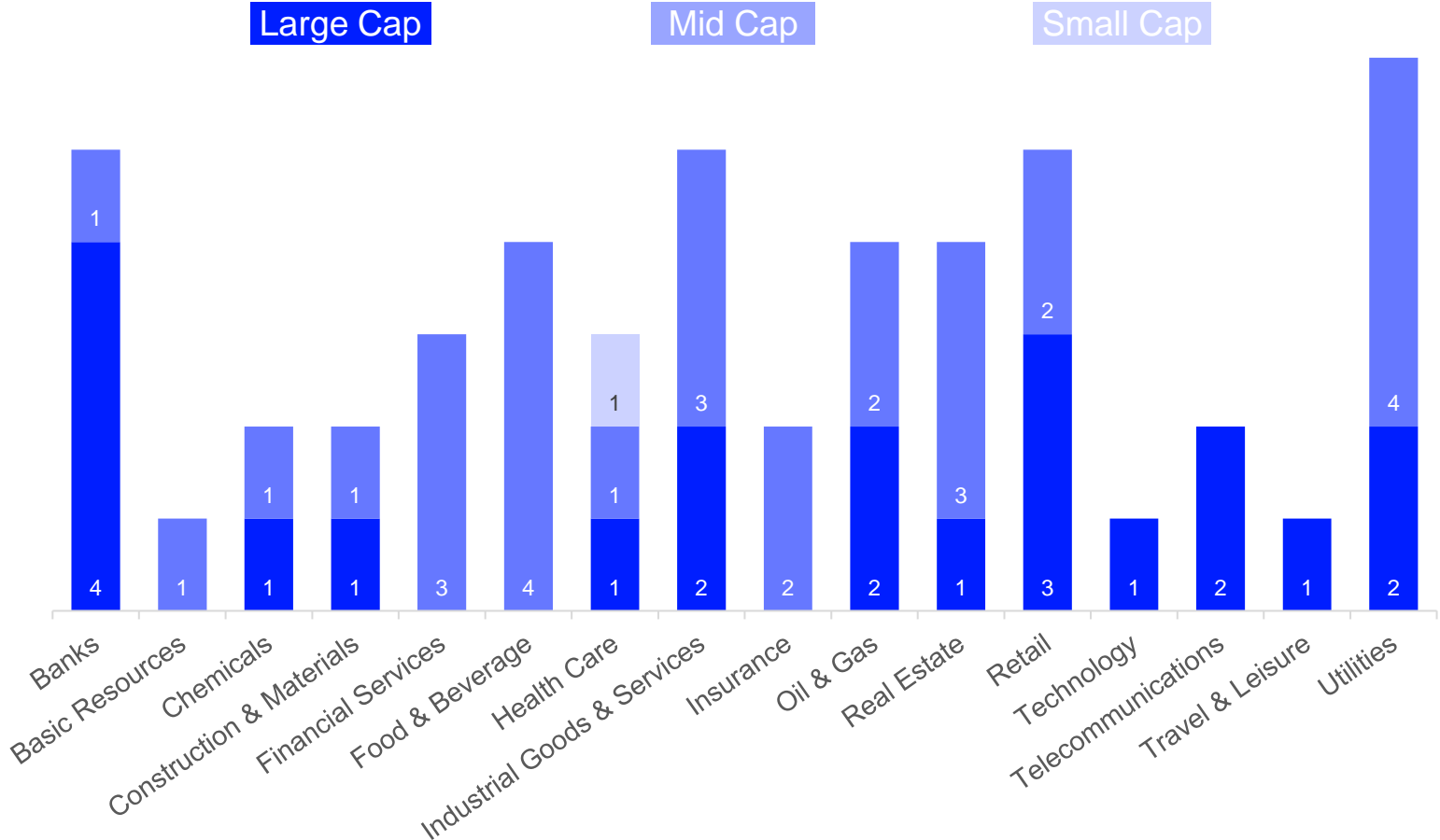
Current & planned coverage of Thai companies in the ESG data model

Current Coverage, 50

Planned Coverage, 177

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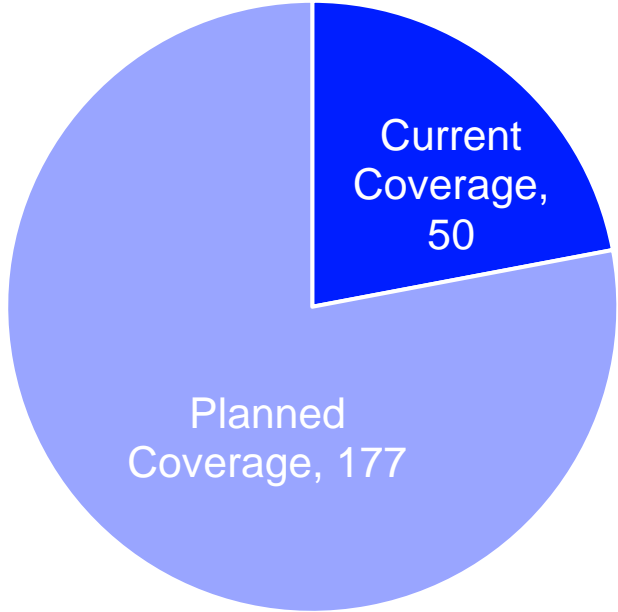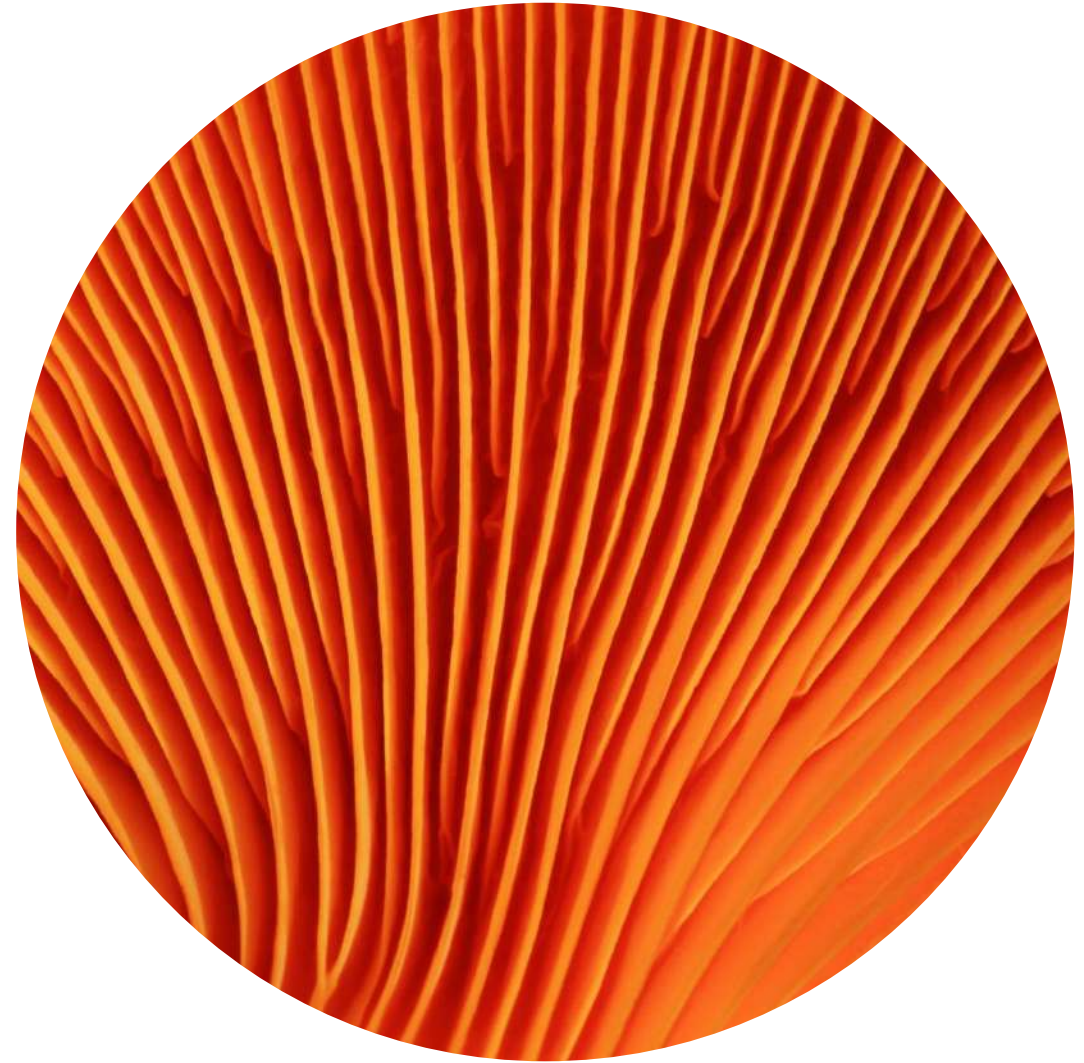
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ESG Themes and Indicators

Environmental Pillar

Climate Change	Water Use	Biodiversity	Pollution & Resources	Environmental Supply Chain
Focuses on how companies manage and disclose their climate-related risks and opportunities.	Evaluates companies based on their water management practices, including how efficiently they use water, their efforts to reduce water consumption, and their strategies for managing water-related risks.	Focuses on how companies manage their impact on biodiversity. It assesses efforts to protect and restore natural habitats, reduce biodiversity loss, and integrate biodiversity considerations into business strategies.	Evaluates companies on their management of pollution and resource use. It looks at how companies minimize their environmental impact through efficient resource use, waste management, and pollution control.	Evaluates how companies manage environmental risks and impacts within their supply chains and ensure suppliers adhere to environmental standards.
Relevant frameworks:	*Relevant frameworks:*	*Relevant frameworks:*	*Relevant frameworks:*	*Relevant frameworks:*

Source: Guide to FTSE and Third Party ESG Data used in FTSE Indices (lseg.com)

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Social Pillar

Health & Safety

Evaluates companies on their health and safety practices, focusing on how well they manage and mitigate risks to ensure the well-being of their employees and other stakeholders.

Relevant frameworks:

Labour Standards

Evaluates companies on their labour practices and policies, focusing on how well they adhere to international labour standards and promote fair working conditions.

Relevant frameworks:

Human Rights & Community

Evaluates companies on their practices and policies related to human rights and community engagement.

Relevant frameworks:

Customer Responsibility

Evaluates companies on their practices related to product responsibility, product safety and quality, customer satisfaction and marketing practices.

Relevant frameworks:

Social Supply Chain

Evaluates companies on their social practices within their supply chains, focusing on how they manage and mitigate social risks and promote positive social outcomes.

Relevant frameworks:

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Governance Pillar

Anti-Corruption	Tax Transparency	Risk Management	Corporate Governance
Evaluates companies on their practices and policies related to preventing and addressing corruption. Key aspects include risk assessment and due diligence, training and awareness, incident reporting and response.	Focuses on companies' tax transparency and oversight as the first step towards tax responsibility.	This theme is designed to identify companies that demonstrate robust risk management practices, which can help mitigate potential losses and improve long-term stability and performance.	Evaluates companies on their governance practices to ensure they are managed ethically, transparently, and responsibly. Key aspects include board structure, executive compensation and shareholder rights.
Relevant frameworks:	*Relevant frameworks:*	*Relevant frameworks:*	*Relevant frameworks:*

Different types of FTSE ESG Indicators

General indicators

Core indicators that assess companies in **material sub-sectors** for each specific Theme.

Industry-specific indicators

Additional indicators that require data **tailored to specific sub-sectors** (e.g., fleet CO2 emissions for automotive companies).

Geography-specific indicators

Additional indicators required for companies that operate in **countries with specific requirements** or characteristics (e.g., B-BBEE implementation in South Africa).

Performance indicators

Using quantitative data to assess the **performance of companies compared to its peers** in the same industry and geography groups.

Environmental

Industry-specific
35%

Total indicators:
122

General
65%

Social

Geography
2%

Performance
1%

General
35%

Total indicators:
183

Industry-specific
62%

Governance

Performance
5%

Industry-specific
23%

Total indicators:
75

General
72%

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46

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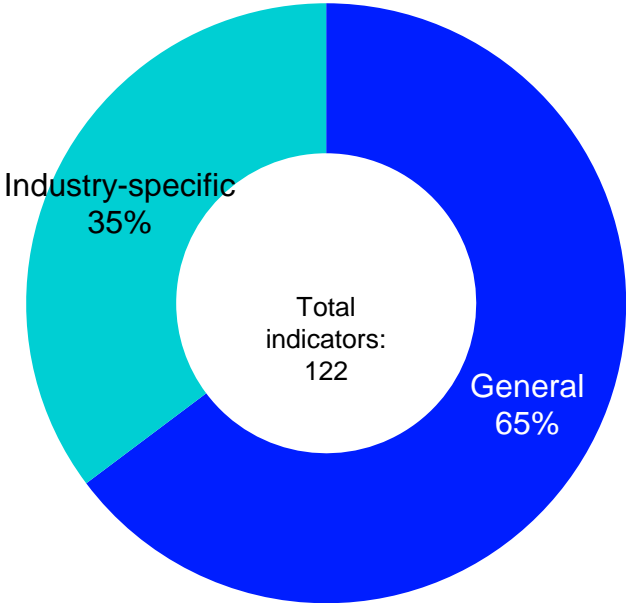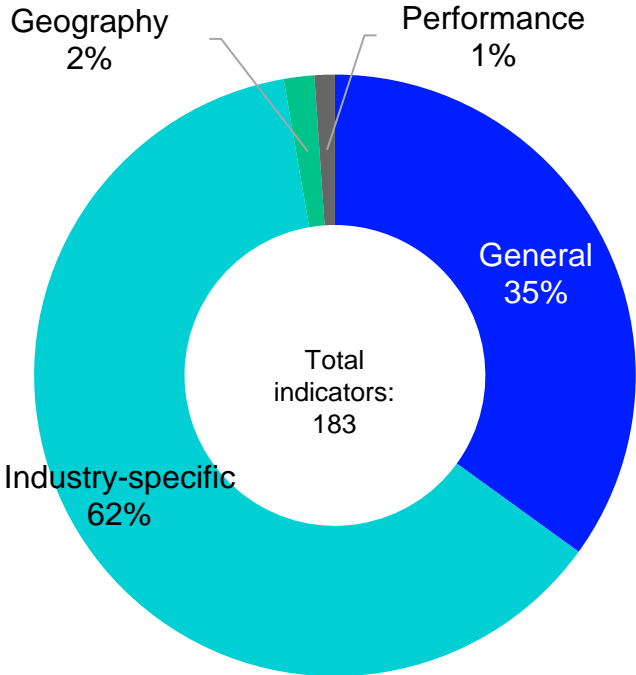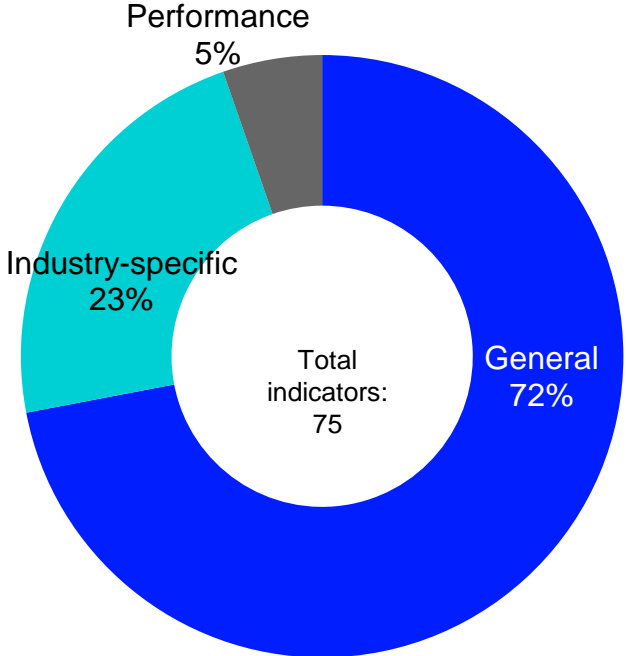
Number of indicators per type and ESG Theme

Environmental

- Biodiversity: Industry-specific, 6 | General, 7
- Climate Change: Industry-specific, 6 | General, 23
- Pollution & Resources: General, 23
- Supply Chain: Environmental: Industry-specific, 15 | General, 9
- Water Security: Industry-specific, 16 | General, 17

Social

- Customer Responsibility: Industry-specific, 58
- Health & Safety: Performance, 1 | Geography, 2 | Industry-specific, 21 | General, 13
- Human Rights & Community: Industry-specific, 5 | General, 14
- Labour Standards: Performance, 1 | Geography, 1 | General, 22
- Supply Chain: Social: Industry-specific, 30 | General, 15

Governance

- Anti-corruption: General, 13
- Corporate Governance: Performance, 4 | Industry-specific, 11 | General, 25
- Risk Management: Industry-specific, 6 | General, 10
- Tax Transparency: General, 6

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Number of applicable indicators per ICB Supersector (1/3)

Types of indicators
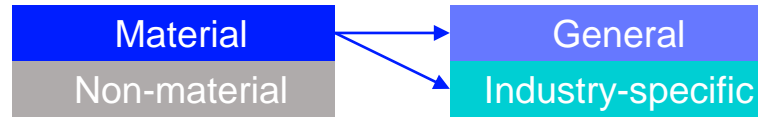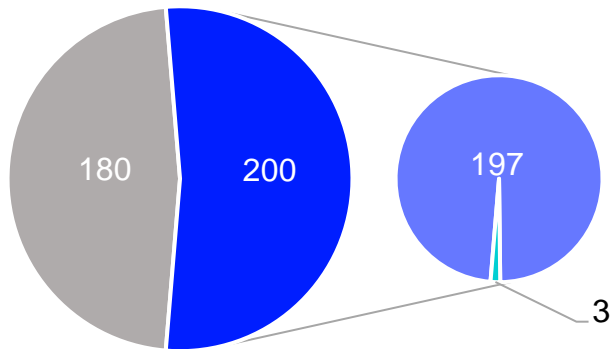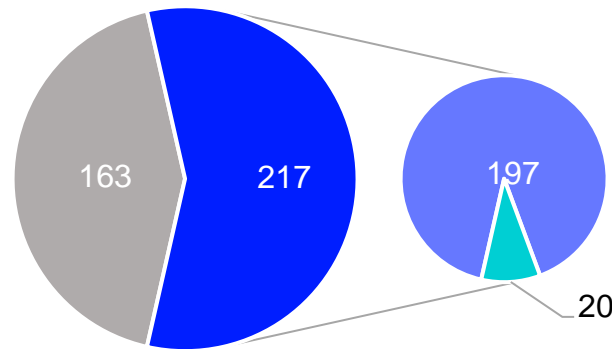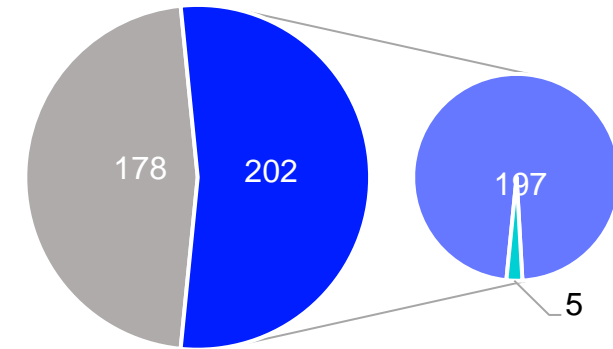
Material	→	General
Non-material	→	Industry-specific

Automobiles & Parts

180   200   197   3

Banks

163   217   197   20

Construction & Materials

178   202   197   5

Basic Resources

176   204   197   7

Chemicals

182   198   197   1

Food & Beverage

139   241   197   44

SUSTAINABLE GROWTH

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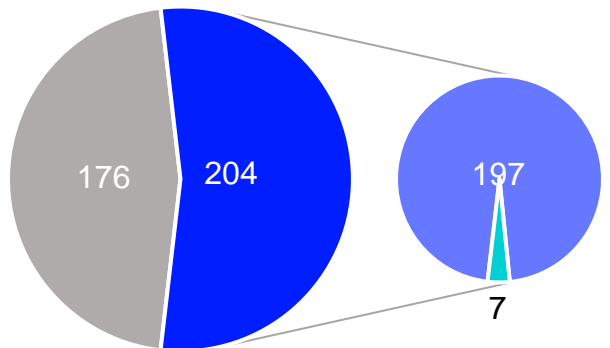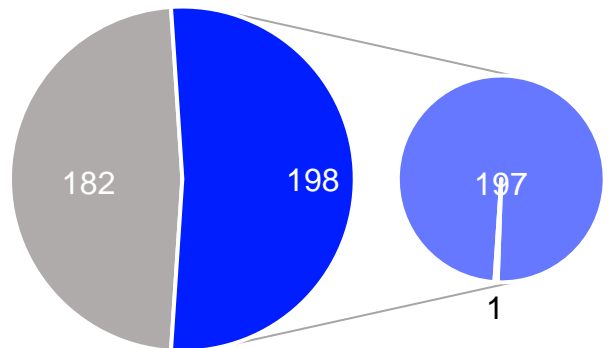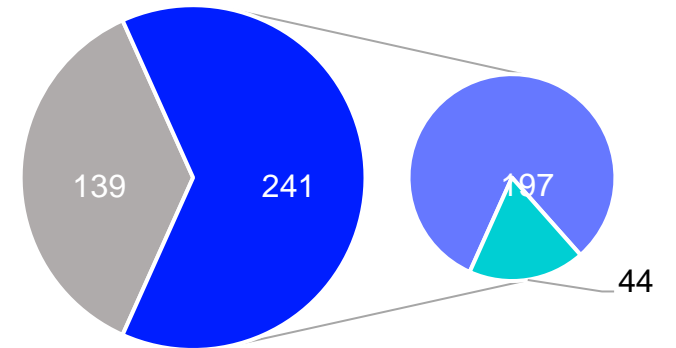
Number of applicable indicators per ICB Supersector (2/3)

Types of indicators
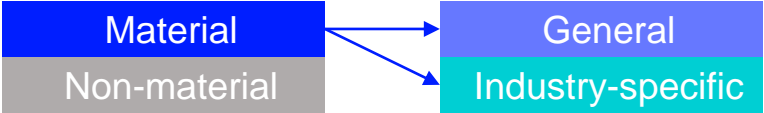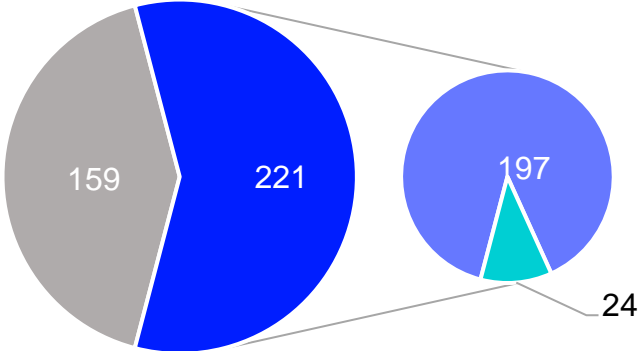
| Material | → | General |
| Non-material | → | Industry-specific |

Financial Services
159 · 221 · 197 · 24

Industrial Goods & Services
182 · 198 · 197 · 1

Insurance
164 · 216 · 197 · 19

Health Care
154 · 226 · 197 · 29

Media
177 · 203 · 197 · 6

Oil & Gas
174 · 206 · 197 · 9

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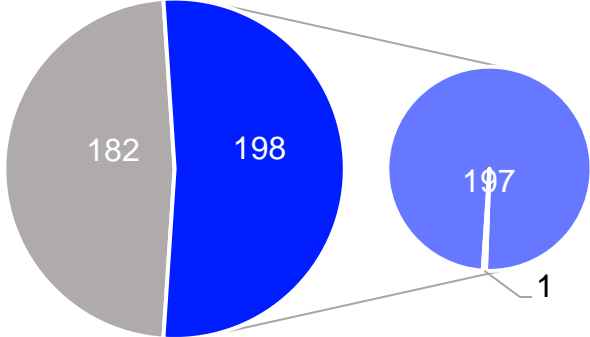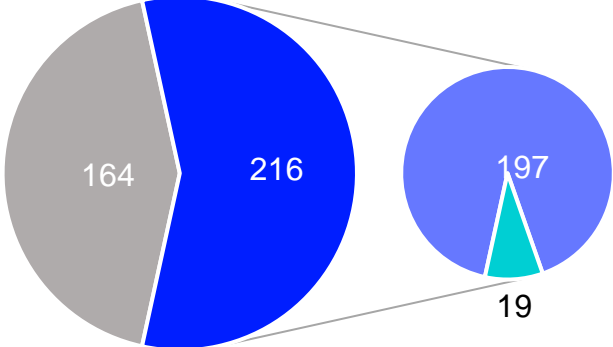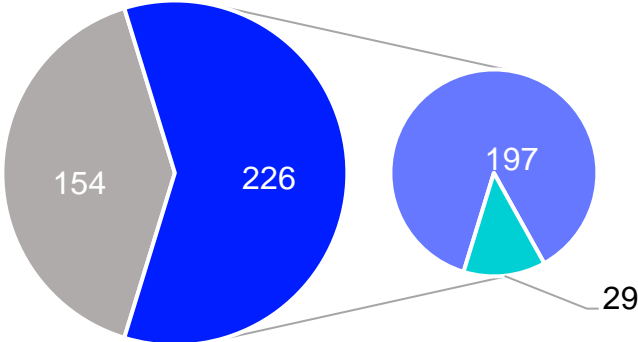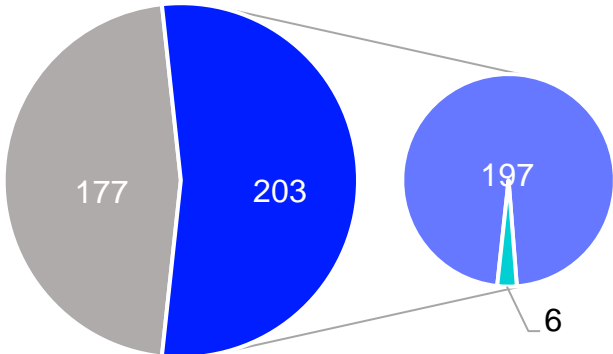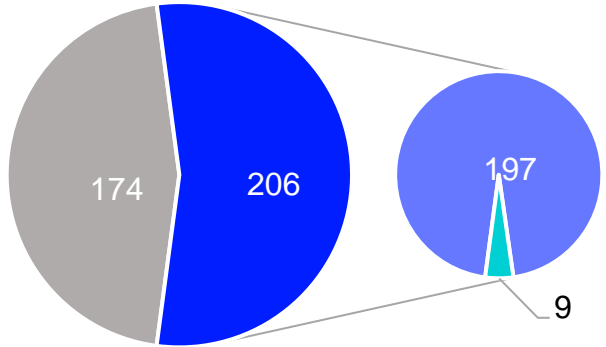
Number of applicable indicators per ICB Supersector (3/3)
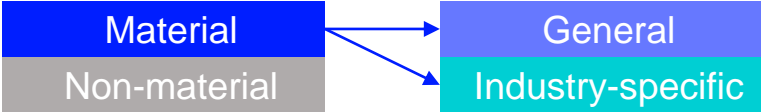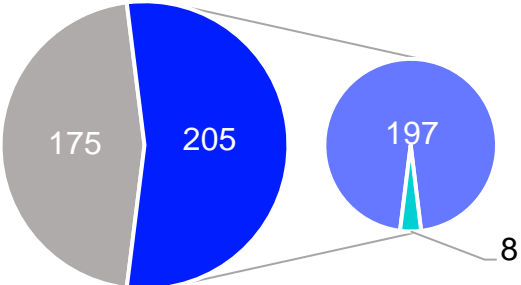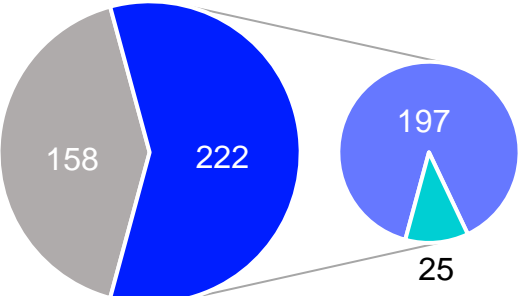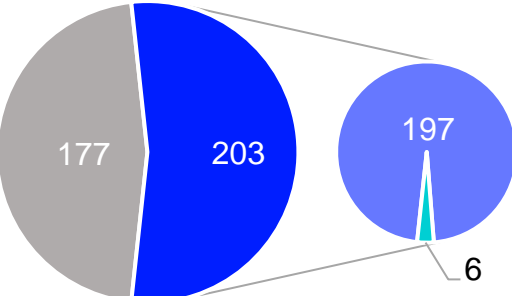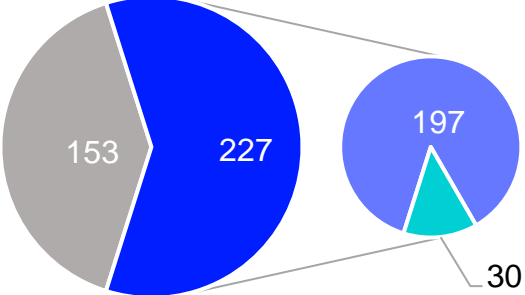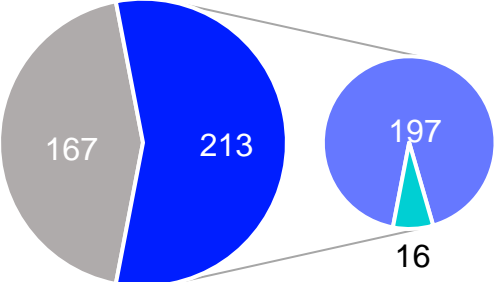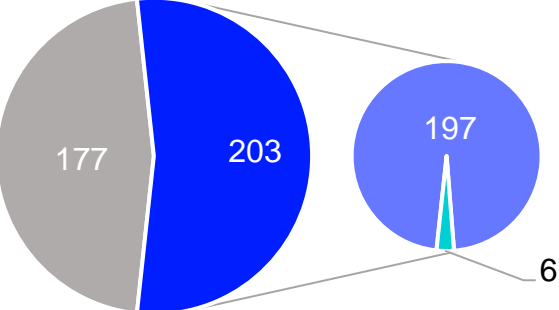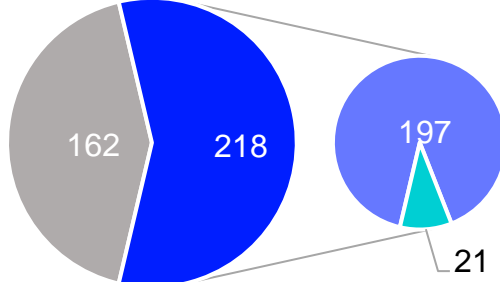
Number of Quantitative VS Qualitative indicators

Qualitative indicators

Assessing the quality of management and approach

Quantitative indicators

Measuring corporate data disclosure

Environmental

Quantitative, 48

Qualitative, 74

Social

Quantitative, 21

Qualitative, 162

Governance

Quantitative, 20

Qualitative, 55

SUSTAINABLE GROWTH
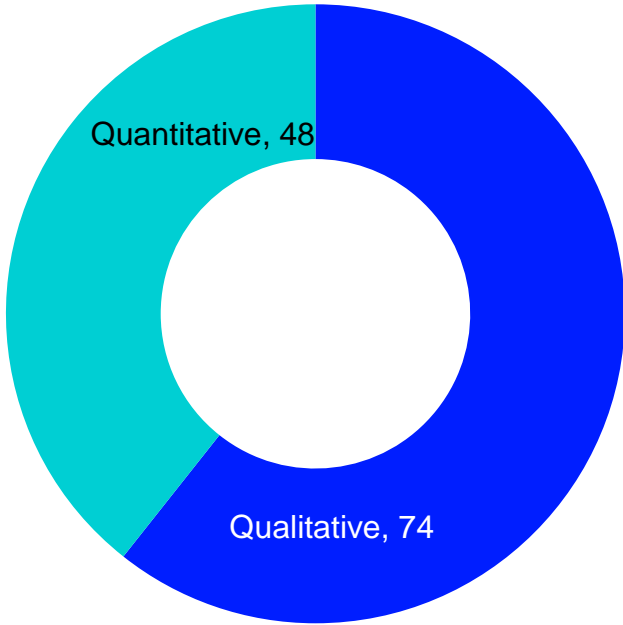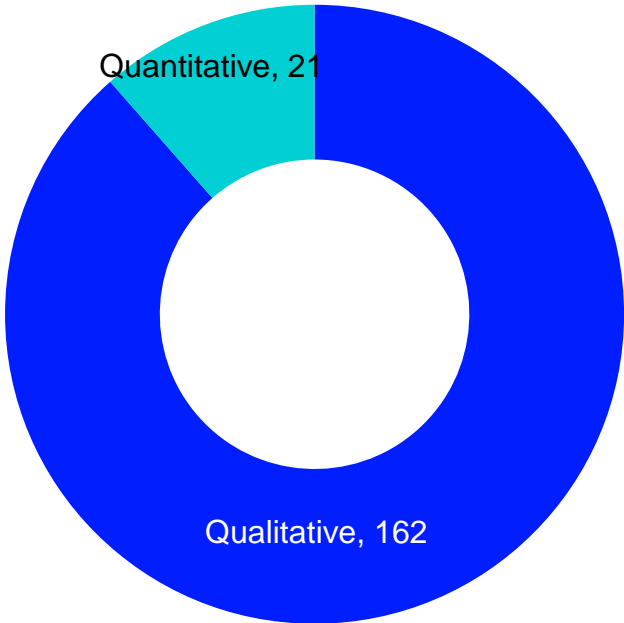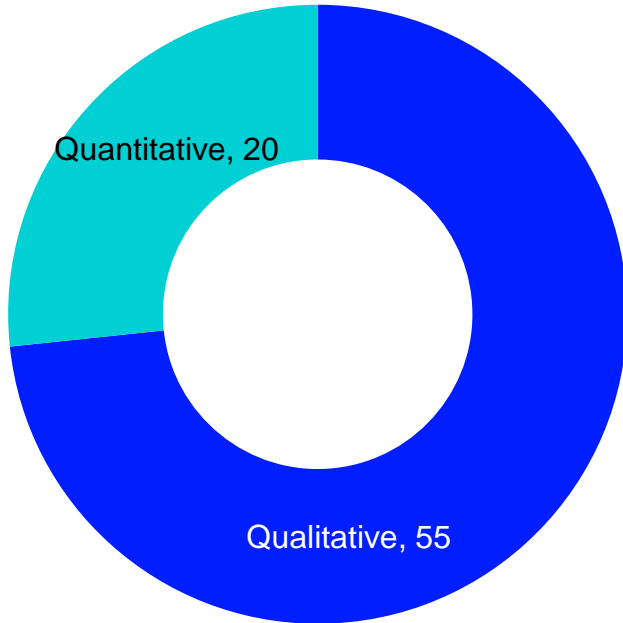
LSEG

Calculating ESG scores

The process, from A to Z

FTSE RUSSELL

An LSEG Business

FTSE ESG scoring process

Applying materiality assessment based on business characteristics

Collecting, assessing, checking and reviewing indicator data

Calculating scores

Determining ESG assessment scope	Determining ESG exposure scale	Collect data from corporate disclosures	Assessing disclosures at indicator level	Internal quality checks and company review	Calculating Theme scores	Calculating Pillar and ESG scores

Companies' business data

- Annual reports
- Company websites
- Stock exchange filings

Exposure scale

- H High exposure
- M Medium exposure
- L Low exposure
- N/A Not Applicable

Companies' ESG data

- Annual reports
- Company websites
- Sustainability reports
- Stock exchange filings

Types of data points

Qualitative
- Yes
- No

Quantitative
- Disclosed
- Not Disclosed

Internal quality checks

- Manual quality checks
- Algorithm-based data validation

Theme calculation table

Theme Score	Theme Exposure		
	Low	Medium	High
5	51-100%	61-100%	71-100%
4	31-50%	41-60%	51-70%
3	11-30%	21-40%	31-50%
2	6-10%	6-20%	11-30%
1	0-5%	1-5%	1-10%
0	N/A	0%	0%

ESG Pillar score calculation

Applicable ESG indicators
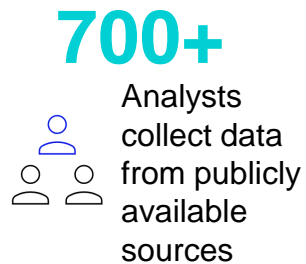
Non Material / Material

SUSTAINABLE GROWTH

Risk materiality

Industry / Geography

ESG Research

700+
Analysts collect data from publicly available sources

Indicator assessment

No Match	Partial Match	Full Match
No	Yes	Yes
No	No	Yes

Company feedback

Companies review their assessment through our online portal during a 4-week review window
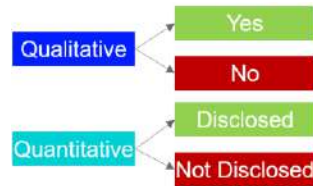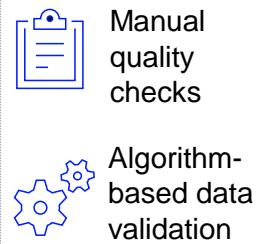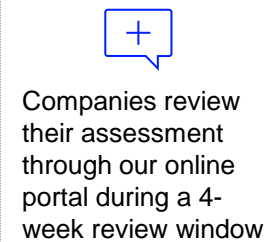
Theme score assessment

Theme	Exposure	% of Indicators scored	Theme score (0 to 5)
Biodiversity	N/A	N/A	N/A
Climate Change	H	33%	3
Pollution & Resources	H	37%	3
Supply Chain: Env	H	28%	3
Water Security	M	56%	4
Customer Responsibility	N/A	N/A	N/A
Health & Safety	M	7%	3
Human Rights	H	23%	3
Labour Standards	H	10%	3
Supply Chain: Social	H	33%	3
Anti-corruption	H	13%	2
Corporate Governance	H	89%	5
Risk Management	H	30%	3
Tax Transparency	M	7%	1

Overall ESG score calculation

$$\frac{(Env\ Exp\ 2.75)(Env\ Score\ 2.9) + (Soc\ Exp\ 2.5)(Soc\ Score\ 2.2) + (Gov\ Exp\ 2.5)(Gov\ Score\ 2.4)}{(Env\ Exp\ 2.75) + (Soc\ Exp\ 2.5) + (Gov\ Exp\ 2.5)} = 2.5$$

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Determining ESG assessment scope

Assessing business characteristics

Industry

Identifying company's revenue share based on FTSE Russell's Industry Classification Benchmark (ICB) and classifying the company as per its main business activity.

Geography

Identifying the countries in which the company operates. Companies that have over 30% of their revenues derived from outside their domestic region are classified as Multinational.

Market

Classifying the company as per its market of operations: developing, emerging and developed.

Our team of analysts **dissects companies' business model** based on publicly available resources such as annual reports, financial filings, audit reports, legal statuses etc. We compile business data into our data base to **classify and standardise business information** that is usually sitting in various disclosure documents.

Determining assessment scope

Company business data

- Annual reports
- Company websites
- Stock exchange filings

LSEG database

Applicable indicators and Themes
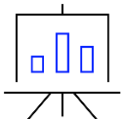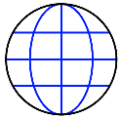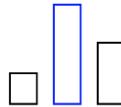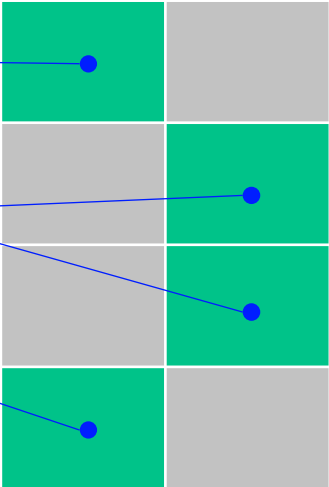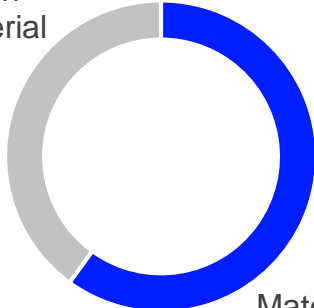
Non Material

Material

This company-specific selection of business characteristics will **determine the number of ESG Themes and indicators** that are triggered for assessment based on our proprietary materiality matrix.

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Overview of FTSE Russell's Industry Classification Benchmark (ICB)
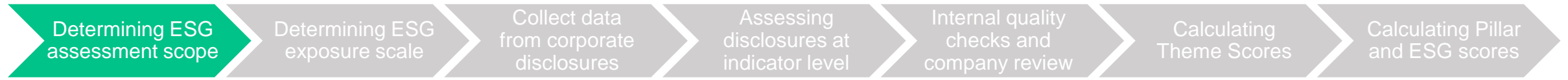
Determining ESG assessment scope	Determining ESG exposure scale	Collect data from corporate disclosures	Assessing disclosures at indicator level	Internal quality checks and company review	Calculating Theme Scores	Calculating Pillar and ESG scores

All companies will transition from the current classification by SET's 8 Industry Groups to FTSE Russell's Industry Classification Benchmark (ICB)

- ICB is a comprehensive, and rules based, transparent **classification methodology** based on research and market trends designed to support investment solutions. It was launched in 2005 and enhanced in 2019 with the integration of the Russell Global Sectors (RGS) classification scheme. ICB is a **globally utilised standard** for the categorisation and comparison of companies by industry and sector.

- Allocation of companies to the **ICB Subsector** that closely matches the nature of its business and from which the company derives most of its revenues. Multiple Subsectors will be identified if the company has a significant operations in more than one i.e. **Diversified companies**

ICB

- 11 INDUSTRIES
- 20 SUPERSECTORS
- 45 SECTORS
- 173 SUBSECTORS
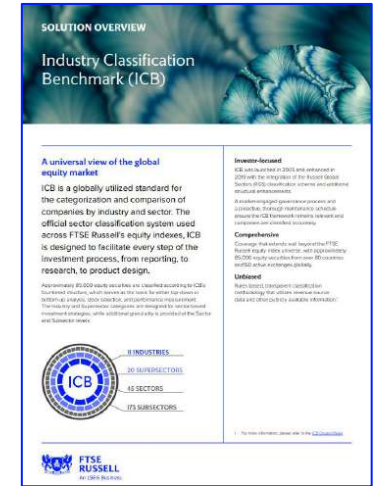
Investor-focused

A market-engaged governance process and a proactive, thorough maintenance schedule ensure the ICB framework remains relevant, and companies are classified accurately

Comprehensive

Approximately **85,000 equity securities** from over **80 countries** and **150 exchanges** globally

Transparent

Rules based, transparent classification methodology that utilises revenue source data and other publicly available information

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Determining ESG assessment scope: in practice

Determining ESG assessment scope → Determining ESG exposure scale → Collect data from corporate disclosures → Assessing disclosures at indicator level → Internal quality checks and company review → Calculating Theme Scores → Calculating Pillar and ESG scores
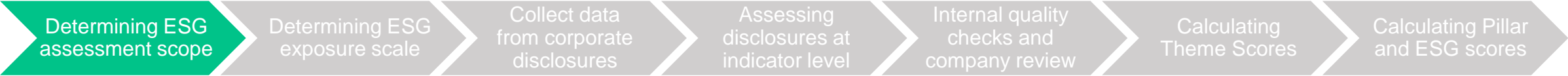
Industry

List of identified ICB Sub-sectors

Share of revenues per Sub-Sector

Source of information

ICB Classification: Please choose the ICB sub-sectors depending on company's business activities / operations ↺ deleted

ICB Sub-Sector	ESG Micro-Sector	Revenue		Analyst Comments		Reference		Comments	Change History
		Proportion	Source	Rationale	Source Text	Reference 1	Reference 2		
8773 - Consumer Finance (Financial Services)		Equal to Or More than 10%	Segment	The company provides consumer payment services and also Debit card and Credit card facilities	We facilitate global commerce and money movement across more than 100 countries and territories among a global set of consumers, merchants, financial institutions and government entities through innovative technologies. … The Company has one reportable segment, Payment Services.	10-K Report 2023			

Geography

List of countries of operation

Source of information

Country list: Presence in Primary Impact Countries (Note: only countries present in the rules will be provided for selection) Not selected countries ↗ ↺ deleted

Country	Analyst Comments		Reference		Comments	Change History
	Rationale	Source Text	Reference 1	Reference 2		
Algeria	The company has presence in this country.	SUBSIDIARIES OF THE REGISTRANT As of July 29, 2023	10-K 2023 240-248		⚐	↺
Armenia	The company has presence in this country.	SUBSIDIARIES OF THE REGISTRANT As of July 29, 2023	10-K 2023 240		⚐	↺
Australia	The company has presence in this country.	SUBSIDIARIES OF THE REGISTRANT As of July 29, 2023	10-K 2023 240-248		⚐	↺
Bahrain	The company has presence in this country.	SUBSIDIARIES OF THE REGISTRANT As of July 29, 2023	10-K 2023 240-248		⚐	↺
Bangladesh	The company has presence in this country.	SUBSIDIARIES OF THE REGISTRANT As of July 29, 2023	10-K 2023 240-248		⚐	↺
Bermuda	The company has presence in this country.	SUBSIDIARIES OF THE REGISTRANT As of July 29, 2023	10-K 2023 240-248		⚐	↺

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Determining ESG exposure scale

| Determining ESG assessment scope | **Determining ESG exposure scale** | Collect data from corporate disclosures | Assessing disclosures at indicator level | Internal quality checks and company review | Calculating Theme Scores | Calculating Pillar and ESG scores |
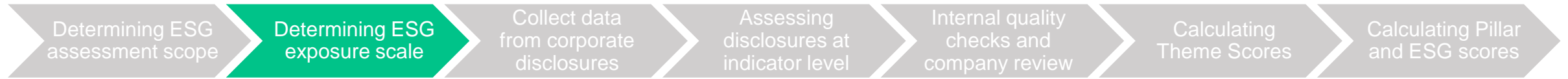
Exposure factors

Industry

Companies will have different ESG risk exposure per Theme depending on their industry. We determine the exposure scale at ICB Sub-Sector level, and apply the scale related to the company's main Sub-Sector.

Geography

Companies will also have different ESG risk exposure per Theme depending on their country of operations. We only classify countries that present the highest risk for each Theme.
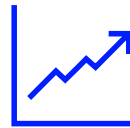
Market

Companies will sometimes have different ESG risk exposure per Theme depending on their market, as investor's expectation will vary depending on the level of economic development of a market companies operate in.

- The factors that determine exposure **mirror the business characteristics** that are assessed as part of the previous step.
- Based on a **materiality matrix**, this categorisation considers business involvement across different ICB Subsectors and countries, and in some Themes, the market size.

Exposure scale

	Ticker	Exposure scale	Exposure score
Very material	H	High exposure	**3**
	M	Medium exposure	**2**
	L	Low exposure	**1**
Not material	N/A	Not Applicable	**0**

- 'Exposure' categorises the **materiality level** of the 14 Themes for a particular company as High, Medium, Low or Not Applicable.
- Company assessment will add **additional weight** to indicators that have higher exposure levels by using exposure scores through a weighted calculation method.

Materiality matrix summary: Industry

Determining ESG assessment scope → **Determining ESG exposure scale** → Collect data from corporate disclosures → Assessing disclosures at indicator level → Internal quality checks → Company review → Calculating Theme, Pillar and ESG scores

Legend: H (red) · M (yellow) · L (green) · N/A (grey)
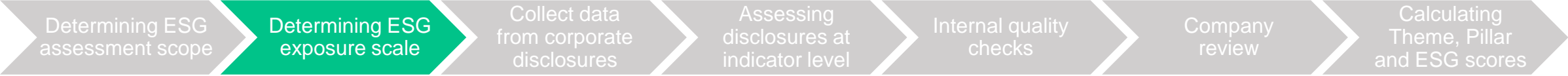
ICB Super Sectors \ ESG Themes	Biodiversity	Climate Change	Pollution & Resources	Supply Chain: Env.	Water Security	Customer Responsibility	Health & Safety	Human Rights & Community	Labour Standards	Supply Chain: Social	Anti-corruption	Corporate Governance	Risk Management	Tax Transparency
Automobiles & Parts		H	M	H	H		M		L	H	H	M	H	M
Banks		M						L	M	L	H	M	H	M
Basic Resources	H	M	H		H		H	M	H		H		M	H
Chemicals		M	H	H	H				L	L	H	M	M	
Construction & Materials		M	H		H	M	H		H		H	H	H	M
Financial Services		M				H		L		L	H	M	H	M
Food & Beverage	H	M		M	H	H	H	M	H		H	M	H	H
Health Care					M	H		L	H	L	H	M	M	M
Industrial Goods & Services		H	M	H	M		H	M	L	H	H		M	M
Insurance								L	H		H	M	H	M
Media		M			M			M	L		M	M	M	M
Oil & Gas	M	H	M	H	M	H	M	H	H	L	H	M	H	M
Personal & Household Goods	H	M		H	M	H	H	H	H		H	M	M	M
Real Estate		M		H			H	L	H		H	M	M	H
Retail		M		M	H		H	L	H		H	M	H	M
Technology		M			H	M		M	L		H	M	H	M
Telecommunications		M			H			L	L		H	M	M	M
Travel & Leisure		H	M	H	M	H	M	L	H		H	M	H	M
Utilities		H	H		M		H	H	H		H	H	M	M

Materiality matrix summary: Geography
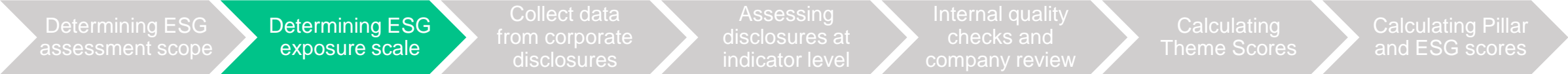
171 countries are defined in our methodology as having high exposure to certain Themes. This list is frequently updated based on the sources of references for each theme.

Number of countries with High exposure relative to each Theme
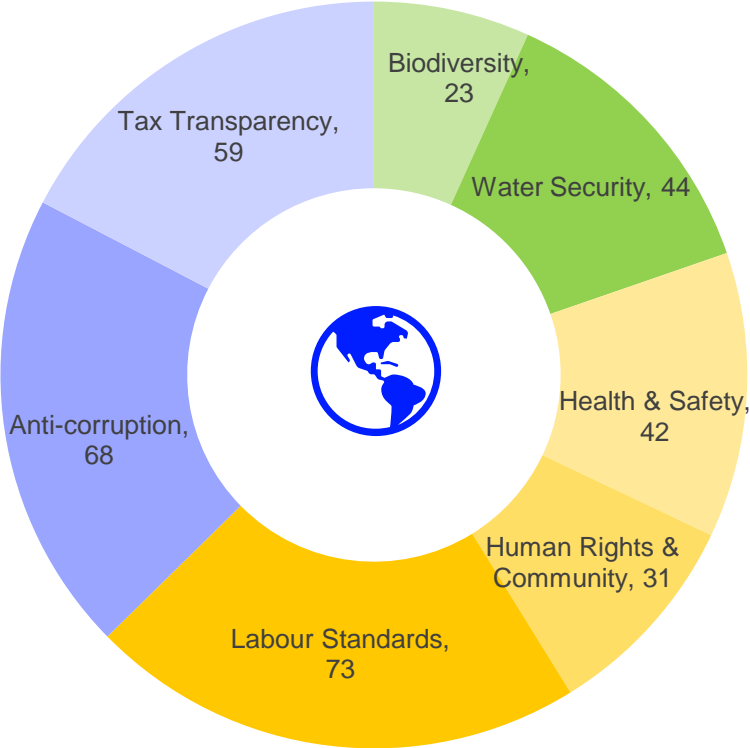
- Biodiversity, 23
- Water Security, 44
- Health & Safety, 42
- Human Rights & Community, 31
- Labour Standards, 73
- Anti-corruption, 68
- Tax Transparency, 59

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Determining ESG exposure scale: in practice
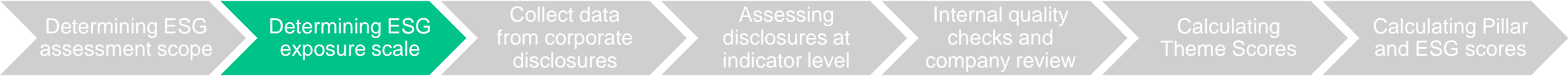
In the methodology document

Exposure scale tagged for each indicator.

Indicator legend	Indicator type	Indicator description	Applicability/ Subsectors	Exposure:
SHS01	Qualitative	Health and safety policy or commitment statement which: a. Identifies the issue as relevant and important b. Applies to contractors or other external stakeholders		H M
SHS39	Qualitative	Policy or commitment statement on reducing health and safety impact through: a. Commitment to continuous improvement b. Time-specific, quantitative targets to reduce incidents		H M

The H/M/L tags relate to a specific list of indicators listed for each Theme under "Primary / Secondary / Tertiary Impact Subsectors" respectively

Primary Impact Subsector Category		Secondary Impact Subsector Category		Tertiary Impact Subsector Category
533	Exploration & Production	5553	Broadcasting & Entertainment	All Other Subsectors *
537	Integrated Oil & Gas	5555	Media Agencies	
1733	Forestry	5557	Publishing	
1753	Aluminium	9533	Computer Services	
1755	Nonferrous Metals	9535	Internet	
1757	Iron & Steel	9537	Software	

On the SID Platform

Pillar/Theme/Indicator

Environment
- Biodiversity
- Climate Change
- Pollution & Resources
- Supply Chain (Env)
- Water Security

Social
- Supply Chain(Social)
- Labour Standards
- Human Rights & Community
- Health & Safety
- Customer Responsibility

Governance
- Anti-Corruption
- Corporate Governance
- Risk Management
- Tax Transparency

Exposure scale for Pillars and Themes tagged by colour

Exposure scale legend

Exposure levels: High | Medium | Low | Not Applicable

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Collect data from corporate disclosures
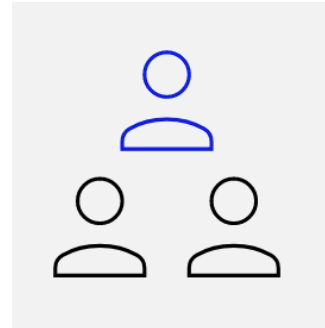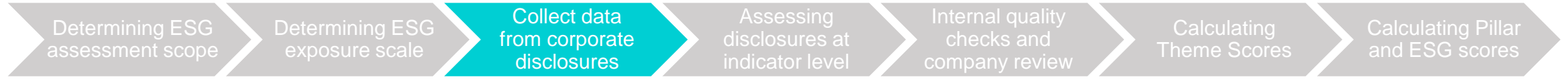
700+

Research analysts collect data from publicly available corporate disclosures

Analysts filter through relevant data for the assessment, sourced from a company's publicly available documents*

- LSEG has one of the **largest ESG Operations team in the industry** and the most scalable model.

- The data collection process is **manually conducted by a global team of data analysts around the world**, who are trained to collect data to FTSE Russell's specifications.

- Data is collected from the company's previous financial year disclosures so that **analysts do not start from scratch** each time (expect for companies newly added to the research universe in the research cycle)

- Information is processed manually into verified and **standardised data points.**

- Through the online portal, **companies can see the indicators** against which they are assessed and the sources of the data collected.

Company ESG data   LSEG database

- Annual reports
- Company websites
- Sustainability reports
- Stock exchange filings

Non-exhaustive list of sources

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Collect data from corporate disclosures: in practice

Determining ESG assessment scope → Determining ESG exposure scale → **Collect data from corporate disclosures** → Assessing disclosures at indicator level → Internal quality checks and company review → Calculating Theme Scores → Calculating Pillar and ESG scores
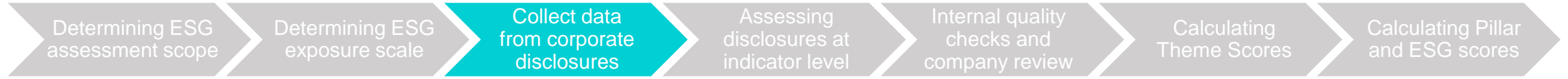
Indicator assessment page

Sub-indicators being assessed

Sub-indicators assessment results

Source of information from company's disclosures

Rationale is provided by the analysts to justify assessment results, especially if the company is assessed as "No"

GAC01 - Bribery - Policy or commitment statement: Guidance 🔗

| GAC01_1 | a) Addresses countering bribery | Yes |
| GAC01_2 | b) Specifies countering at least 2 different forms of bribery related activities | Yes |

Rationale:

[Option A]
-

[Option B]:
Forms of bribery: Gifts and Kickback

Source Text:

[Option A] + [Option B]:
At ▮▮▮, we do not tolerate corruption in connection with any of our business dealings. Corruption can take many forms, but most often it occurs through bribery. A bribe is offering or giving anything of value, including cash, cash equivalents such as gift cards, gifts, meals, travel and entertainment, to any person for the purpose of obtaining or retaining business, or securing an improper advantage. You cannot offer or receive bribes from any individual, regardless of whether that individual is a public official or a private party. Kickbacks are a type of bribery, and occur when a person is offered money or something of value in exchange for providing something, such as information, a discount or a favor, to a third party. Kickbacks are not permissible and are strictly prohibited by ▮▮▮.

Reference 1:

Business Conduct Policy 202 ▾

Open Document 🔗

Pages:

16

Report Start Date	Not Documented
Report End Date	Not Documented
Published Date	Not Documented
Co. Reported Year	2022

🚩 Review Comments ↰ Previous ↱ Next ✕ Close

Assessing disclosures at indicator level

| Determining ESG assessment scope | Determining ESG exposure scale | Collect data from corporate disclosures | Assessing disclosures at indicator level | Internal quality checks and company review | Calculating Theme Scores | Calculating Pillar and ESG scores |

Types of data points

Qualitative → Yes / No

Quantitative → Disclosed / Not Disclosed
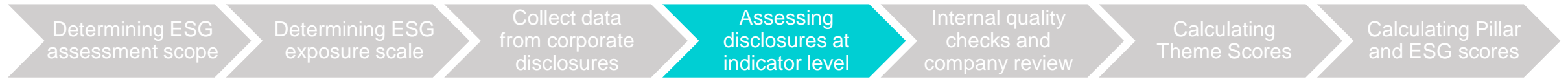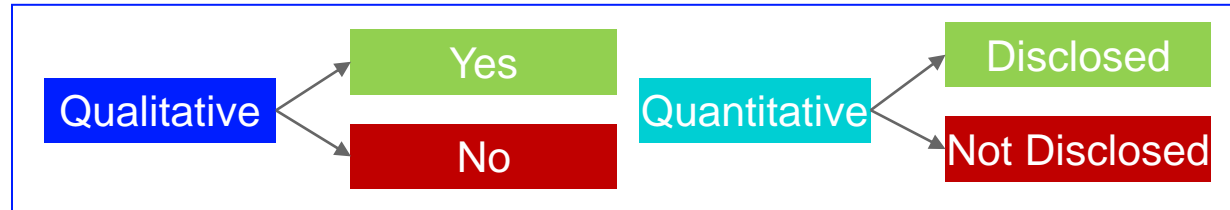
Indicators are assessed based on the types underlying data points, either qualitative or quantitative. Qualitative data points are assessed with either "Yes" or "No" depending on whether the company meets the requirements, whereas qualitative data points are positively assessed as "Disclosed" as long as analyst find the information.

Indicator assessment method

	Indicator example		No Match	Partial Match	Full Match	
Indicator	GCG48	In relation to executive remuneration, the company discloses:				Indicator assessment result
Sub-indicator 1	GCG48_1-a)	High level principles	No	Yes	Yes	Underlying sub-indicator assessment results
Sub-indicator 2	GCG48_2-b)	A detailed process for setting remuneration	No	No	Yes	

Indicators are composed of underlying sub-indicators and are assessed as "No Match", "Partial Match" and "Full Match" depending on the combination of positive sub-indicator assessment results ("Yes" or "Disclosed" vs "No" or "Not Disclosed").

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Assessing disclosures at indicator level: in practice

Determining ESG assessment scope → Determining ESG exposure scale → Collect data from corporate disclosures → **Assessing disclosures at indicator level** → Internal quality checks and company review → Calculating Theme Scores → Calculating Pillar and ESG scores
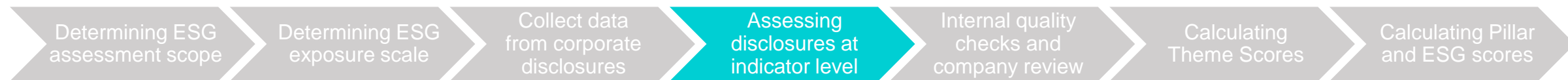
Indicator score assessed as "No Match", "Partial Match" or "Full Match"

Pillar score, calculated from Theme scores

Theme score, calculated from indicator assessments

Sub-indicator assessment, depending on whether the company meets the requirements

Pillar/Theme/Indicator	Score/Response	Reference
Environment	**3.3**	
Biodiversity	**3**	
Climate Change	**3**	
Climate change impact including CO2/GHG emissions - Policy or commitment statement to:	Fully Met	Annual Report 2022, pg 44
a) Address the issue	Yes	
b) Reduce or avoid the impact or improve efficiency	Yes	
Recognition of climate change:	Fully Met	Annual Report 2022, pg 117
a) As a relevant risk and/or opportunity to the business	Yes	
b) Discloses time horizon (short/medium/long term) of risk and/or opportunity	Yes	
Does the company have a commitment to align disclosures to the to the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)?	Fully Met	Annual Report 2022, pg 16,216 Sustainability Report 2022, pg 16
The company commits to or currently aligns its disclosures to the TCFD recommendations	Yes	
The company is a listed TCFD Supporter	Yes	
The company explicitly sign-posts TCFD-aligned disclosures in its annual reporting OR publishes them in a TCFD report.	Yes	
Energy use - Policy or commitment statement to:	Fully Met	Sustainability Report 2022, pg 23
a) Address the issue	Yes	
b) Reduce or avoid the impact or improve efficiency	Yes	

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Internal quality checks

| Determining ESG assessment scope | Determining ESG exposure scale | Collect data from corporate disclosures | Assessing disclosures at indicator level | Internal quality checks and company review | Calculating Theme Scores | Calculating Pillar and ESG scores |

Quality checks
are manually conducted on the completed company assessment

Data validation
using proprietary automated algorithms

Assessment ready for company review

Manual check by analysts:

- Multiple layers of quality check analysis are conducted to **ensure data accuracy and consistency** as much as possible.
- These checks are applied at the company level and at the overall dataset level.

Algorithm-based final check:

Algorithm guarantees:
- **Consistency** across years
- **Logical connections** between answers
- **Homogeneity**
- **Accuracy**
- **Completeness**

Request for company feedback:

- Once the assessment has passed the data validation process, FTSE will send a request to the company seeking feedback on the completed assessment

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Company review of indicator data

Determining ESG assessment scope	Determining ESG exposure scale	Collect data from corporate disclosures	Assessing disclosures at indicator level	Internal quality checks and company review	Calculating Theme Scores	Calculating Pillar and ESG scores
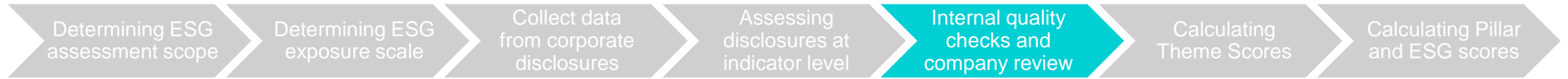
Engagement with companies

Company review and provide feedback on ESG assessment

| Analysts assess companies based on publicly available data | → | FTSE Russell asks companies to provide feedback on their initial assessment | → | Companies review their assessment through our online portal during a 4-week review window | → | Analysts incorporate companies' feedback and finalise the assessment | → | Based on the final assessment, ESG score is calculated and published at the index review (June and December) |

- FTSE Russell follows a **structured engagement process** when communicating with companies to ensure there is transparency of both the related sustainable investment data methodology and collected sustainability data.
- This is carried out as part of the **standard operations** of FTSE Russell to ensure ESG scores take into account relevant information.
- Companies have a **4-week period to review** the assessment. An email will be sent by FTSE to companies containing login credentials, link to the online platform and instructions on how to initiate the review process
- Companies are given the **opportunity to comment on the accuracy and completeness of the company's data** within the review period.

FTSE Russell ESG engagement statistics

Around 340 companies — DETAILED ENGAGEMENT

1700+ companies — TWO-WAY DIALOGUE

8,000+ companies in 53 countries — COMMUNICATION

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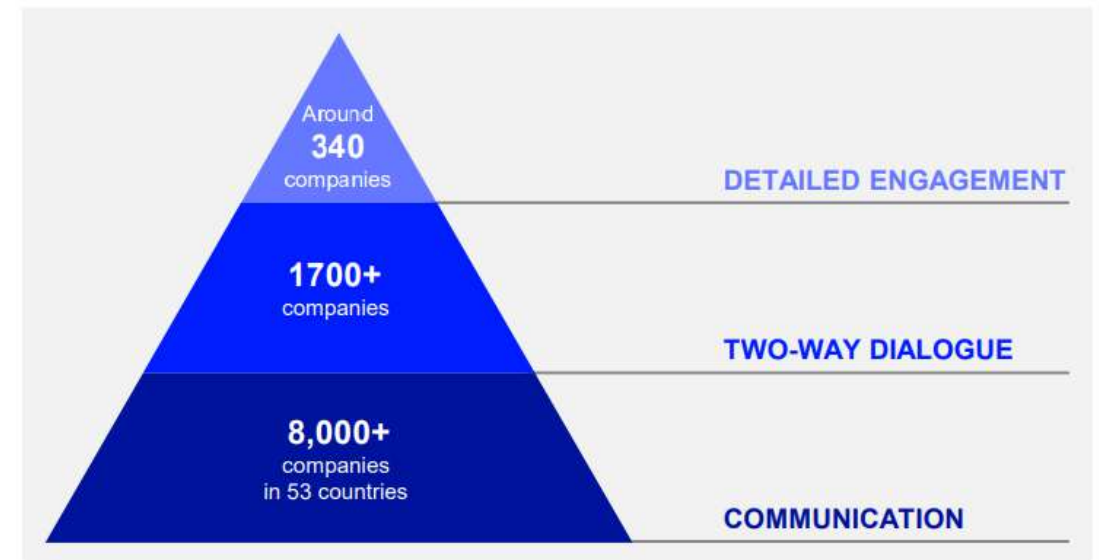
Company review of indicator data: in practice

| Determining ESG assessment scope | Determining ESG exposure scale | Collect data from corporate disclosures | Assessing disclosures at indicator level | **Internal quality checks and company review** | Calculating Theme Scores | Calculating Pillar and ESG scores |
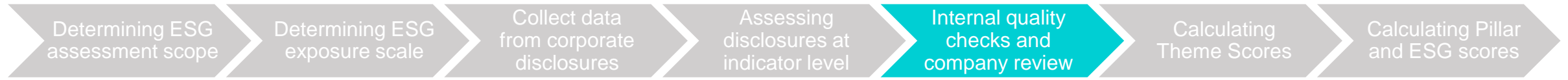
The page accessible by companies for reviewing their data is the same screen page that the analysts use when inputting the data.

Companies have additional "Review" functionalities to allow them to conveniently browse through their indicator-level assessment and provide feedback.

Illustration of the review page for companies to provide feedback

Companies can export their indicator data in Excel format for visualization purposes

GAC01 - Bribery - Policy or commitment statement: Guidance ☑

| GAC01_1 | a) Addresses countering bribery | Yes |
| GAC01_2 | b) Specifies countering at least 2 different forms of bribery related activities | Yes |

Source Text:

[Option A] + [Option B]:
At ▢▢▢▢ we do not tolerate corruption in connection with any of our business dealings. Corruption can take many forms, but most often it occurs through bribery. A bribe is offering or giving anything of value, including cash, cash equivalents such as gift cards, gifts, meals, travel and entertainment, to any person for the purpose of obtaining or retaining business, or securing an improper advantage. You cannot offer or receive bribes from any individual, regardless of whether that individual is a public official or a private party. Kickbacks are a type of bribery, and occur when a person is offered money or something of value in exchange for providing something, such as information, a discount or a favor, to a third party. Kickbacks are not permissible and are strictly prohibited by ▢▢▢.

Reference 1:

Business Conduct Policy 202 ▾

Open Document ☑

Pages:

16

⚑ Review Comments | ↶ Previous | ↷ Next | ✕ Close

Select YES to see all applicable indications for your company

Any relevant information the analyst has found in the public domain is quoted in 'Source Text'.
Name of the document and the page number where the source text was quoted from shows in 'Reference' and 'PageNumber' columns.

- **Qualitative indicator:** Response shows Yes (information disclosed) or No (information not disclosed)
- **Quantitative indicator:** Response shows Number/data (information disclosed) or NULL (information not disclosed)

Aggregating Indicator assessment

ESG score
ESG Pillars
ESG Themes
Indicators

Rules for aggregating Indicator assessment

Indicator Points	Indicator Weights	% of Total Indicator Points
• Points are awarded for each Indicator met in a particular Theme.	• Each Indicator has a weight with some, such as sector specific and performance Indicators, given additional weight.	• The total number of Points awarded is divided by the maximum possible number of Points to give a percentage. This is done for all Themes.

Example of a company's aggregated Indicator assessment

Theme	Exposure	% of Indicators scored
Biodiversity	N/A	N/A
Climate Change	H	33%
Pollution & Resources	H	37%
Supply Chain: Env	H	28%
Water Security	M	56%
Customer Responsibility	N/A	N/A
Health & Safety	M	7%
Human Rights	M	23%
Labour Standards	H	10%
Supply Chain: Social	H	33%
Anti-corruption	H	13%
Corporate Governance	M	89%
Risk Management	H	30%
Tax Transparency	M	7%

SUSTAINABLE GROWTH

LSEG

Calculating ESG Theme Exposure

ESG score
ESG Pillars
ESG Themes
Indicators
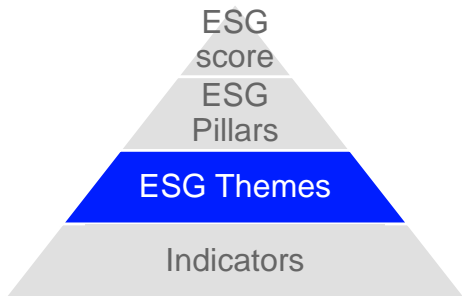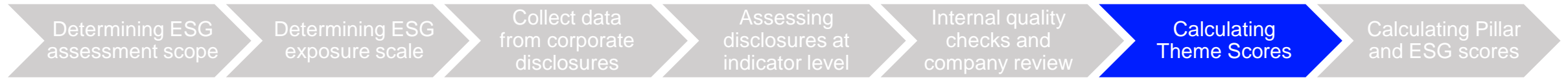
Applying materiality matrix to each company's specific case based on collected business characteristics

Industry

Geography

SUSTAINABLE GROWTH
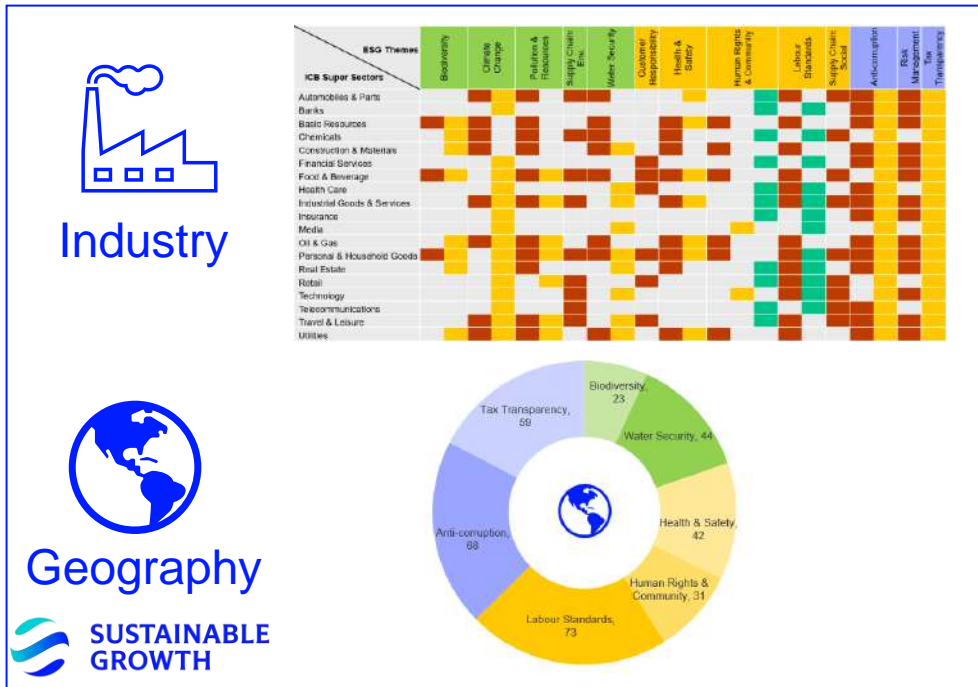
Example of a company's Theme exposure

Theme	Exposure	Rationale
Biodiversity	N/A	The company does not operate in any Subsector that is applicable to this Theme.
Climate Change	H	Sub-Sector in which company operate is categorised as Primary Impact.
Pollution & Resources	H	
Supply Chain: Env	H	
Water Security	M	Sub-Sector in which company operate is categorised as Secondary Impact, and company operates in Primary Impact countries such as India.
Customer Responsibility	N/A	The company does not operate in any Subsector that is applicable to this Theme.
Health & Safety	M	Sub-Sector in which company operate is categorised as Secondary Impact sector, and the company operates in Primary Impact Countries such as China.
Human Rights	M	
Labour Standards	H	Sub-Sector in which company operate is categorised as Primary Impact and the Subsector Filter confirms it sources physical inputs from third parties that form part of a final product
Supply Chain: Social	H	
Anti-corruption	H	
Corporate Governance	M	…
Risk Management	H	…
Tax Transparency	M	…

Calculating ESG Theme scores

ESG score
ESG Pillars
ESG Themes
Indicators

- **Theme Exposure** and **% of Indicator Points scored** in that Theme is required to determine Theme score.
- For relevant Themes, the number of Indicator "Points" a company meets is calculated as a **percentage of total applicable Points** and a Theme Score is given based on threshold bands. The **threshold bands** are higher for companies with a High Exposure than the bands for a company with Low Exposure.
- The percentage of Points awarded is applied to the framework below to assign a Theme Score from 0-5, with 5 being the highest. This is repeated for all applicable Themes.

Theme calculation table based on Theme Exposure and % of Indicator Points scored

Theme Score	Theme Exposure		
	Low	**Medium**	**High**
5	51-100%	61-100%	71-100%
4	31-50%	41-60%	51-70%
3	11-30%	21-40%	31-50%
2	6-10%	6-20%	11-30%
1	0-5%	1-5%	1-10%
0	N/A	0%	0%

Example of a company's aggregated Indicator assessment

Theme	Exposure	% of Indicators scored	Theme score (0 to 5)
Biodiversity	N/A	N/A	N/A
Climate Change	H	33%	3
Pollution & Resources	H	37%	3
Supply Chain: Env	H	28%	2
Water Security	M	56%	4
Customer Responsibility	N/A	N/A	N/A
Health & Safety	M	7%	2
Human Rights	M	23%	3
Labour Standards	H	10%	1
Supply Chain: Social	H	33%	3
Anti-corruption	H	13%	2
Corporate Governance	M	89%	5
Risk Management	H	30%	2
Tax Transparency	M	7%	1

SUSTAINABLE GROWTH

LSEG

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Calculating ESG Pillar Exposure

ESG score
ESG Pillars
ESG Themes
Indicators
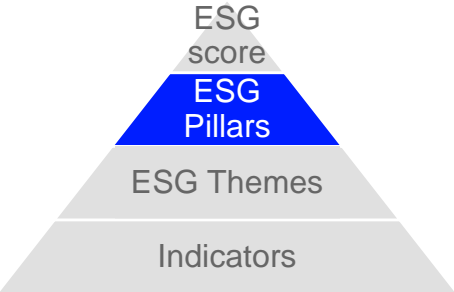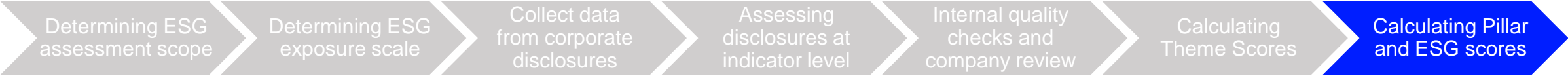
Pillar Exposure is calculated as a weighted average of the applicable Theme Exposures, divided by the number of applicable Themes. Themes that are "High Exposure" have a weight of 3, "Medium Exposure" have a weight of 2, and "Low Exposure" have a weight of 1.

Company Example

Pillar Exposure

Environmental Pillar Exposure

$$\frac{(ECC\ Exp\ 3) + (EWT\ Exp\ 2) + (EBD\ Exp\ 0) + (EPR\ Exp\ 3) + (ESC\ Exp\ 3)}{(Number\ of\ applicable\ Environmental\ Themes\ 4)} = 2.75$$

Social Pillar Exposure

$$\frac{(SHS\ Exp\ 2) + (SLS\ Exp\ 3) + (SHR\ Exp\ 2) + (SCR\ Exp\ 0) + (SSC\ Exp\ 3)}{(Number\ of\ applicable\ Social\ Themes\ 4)} = 2.5$$

Governance Pillar Exposure

$$\frac{(GAC\ Exp\ 3) + (GCG\ Exp\ 2) + (GRM\ Exp\ 3) + (GTX\ Exp\ 2)}{(Number\ of\ applicable\ Governance\ Themes\ 4)} = 2.5$$

Calculating ESG Pillar scores

ESG score
ESG Pillars
ESG Themes
Indicators
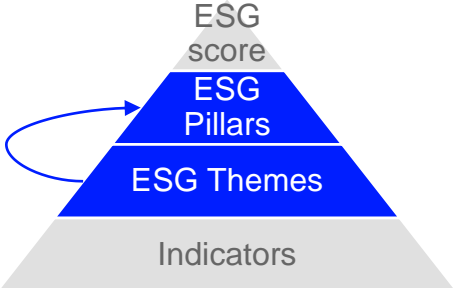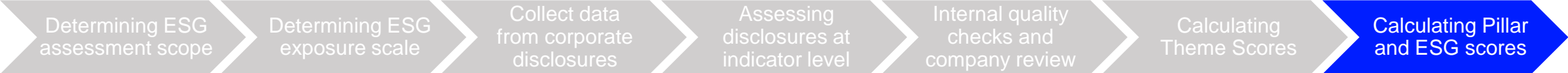
Pillar Scores are calculated as Exposure weighted averages of the Theme Scores such that the most applicable Themes to a particular company have a greater weight. This results in Pillar Scores of 0-5 to one decimal place.

Pillar Score

Company Example

Environmental Pillar Exposure

$$\frac{(ECC\ \textbf{Score 3})(ECC\ \textbf{Exp 3}) + (EWT\ \textbf{Score 4})(EWT\ \textbf{Exp 2}) + (EBD\ \textbf{Score 0})(EBD\ \textbf{Exp 0}) + (EPR\ \textbf{Score 3})(EPR\ \textbf{Exp 3}) + (ESC\ \textbf{Score 2})(ESC\ \textbf{Exp 3})}{(ECC\ \textbf{Exp 3}) + (EWT\ \textbf{Exp 2}) + (EBD\ \textbf{Exp 0}) + (EPR\ \textbf{Exp 3}) + (ESC\textbf{Exp 3})}$$

= 2.9

Social Pillar Exposure

$$\frac{(SHS\ \textbf{Score 2})(SHS\ \textbf{Exp 2}) + (SLS\ \textbf{Score 1})(SLS\ \textbf{Exp 3}) + (SHR\ \textbf{Score 2})(SHR\ \textbf{Exp 3}) + (SCR\ \textbf{Score 0})(SCR\ \textbf{Exp 0}) + (SSC\ \textbf{Score 3})(SSC\ \textbf{Exp 3})}{(SHS\ \textbf{Exp 2}) + (SLS\ \textbf{Exp 3}) + (SHR\ \textbf{Exp 2}) + (SCR\ \textbf{Exp 0}) + (SSC\textbf{Exp 3})}$$

= 2.2

Governance Pillar Exposure

$$\frac{(GAC\ \textbf{Score 2})(GAC\ \textbf{Exp 3}) + (GCG\ \textbf{Score 5})(GCG\ \textbf{Exp 2}) + (GRM\ \textbf{Score 2})(GRM\ \textbf{Exp 3}) + (GTX\ \textbf{Score 1})(GTX\ \textbf{Exp 2})}{(GAC\ \textbf{Exp 3}) + (GCG\ \textbf{Exp 2}) + (GRM\ \textbf{Exp 3}) + (GTX\ \textbf{Exp 2})}$$

= 2.4

SUSTAINABLE GROWTH

LSEG

Calculating ESG scores using ESG Pillar scores

ESG score
ESG Pillars
ESG Themes
Indicators
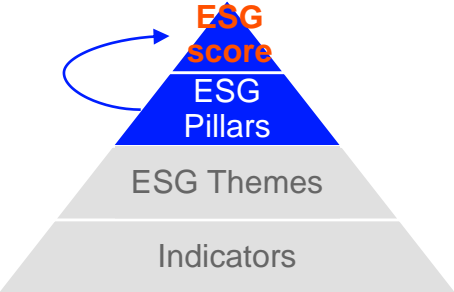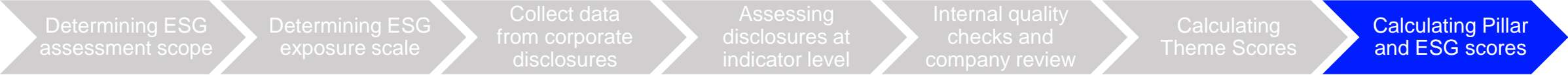
ESG Scores are calculated as an Exposure-weighted average of the three Pillar Scores

Formula

$$\frac{\text{Pillar Exposure x Pillar Score}}{\text{Total Pillar Exposure}}$$

For all three pillars

Company Example

Pillar	Exposure (0–3)	Score (0–5)
Environmental	2.0	1.2
Social	2.3	2.3
Governance	2.0	5.0
ESG		2.5

Company Example

$$\frac{(\text{Env Exp } 2.75)(\text{Env Score } 2.9) + (\text{Soc Exp } 2.5)(\text{Soc Score } 2.2) + (\text{Gov Exp } 2.5)(\text{Gov Score } 2.4)}{(\text{Env Exp } 2.75) + (\text{Soc Exp } 2.5) + (\text{Gov Exp } 2.5)}$$

ESG Score = **2.5**

SUSTAINABLE GROWTH

LSEG

Industry Classification Benchmark

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An LSEG Business

Industry Classification Benchmark

- All companies will **transition** from the **current classification by SET's** 8 Industry Groups **to FTSE Russell's Industry Classification Benchmark (ICB)**.

- ICB is a comprehensive, and rules based, transparent **classification methodology** based on research and market trends designed to support investment solutions. It was launched in 2005 and enhanced in 2019 with the integration of the Russell Global Sectors (RGS) classification scheme.

- ICB is a **globally utilised standard** for the categorisation and comparison of companies by industry and sector.

- Serves as the basis for either **top-down or bottom-up analysis, stock selection, and performance measurement**.

- The **Industry** and **Supersector** categories are designed for sector-based investment strategies, while additional granularity is provided at the **Sector** and **Subsector** levels.

ICB
- 11 INDUSTRIES
- 20 SUPERSECTORS
- 45 SECTORS
- 173 SUBSECTORS

Investor-focused	Comprehensive	Unbiased
A market-engaged governance process and a proactive, thorough maintenance schedule ensure the ICB framework remains relevant, and companies are classified accurately	Approximately **85,000 equity securities** from over **80 countries** and **150 exchanges** globally	Rules based, transparent classification methodology that utilises revenue source data and other publicly available information

SUSTAINABLE GROWTH

LSEG

ICB management structure

FTSE Russell is responsible for maintaining ICB, and for the classification of all companies within ICB.

FTSE Russell Industry Classification Advisory Committee	FTSE Russell Policy Advisory Board
What it is	
• The Committee consists of **senior market practitioners** who are representative of the appropriate sectors of the investment community.	• The Policy Advisory Board has been established to provide **strategic guidance** to FTSE Russell on the construction, maintenance, and strategy for meeting current and future market requirements for relevant FTSE Russell indices and **classification schemes**.
Purpose	
• Provides a **forum to interact with index users** and other stakeholders with a view to enhancing the underlying methodologies for **final approval by the FTSE Russell Product Governance Board**.	• Provides a forum to interact with senior market practitioners and to act as a **sounding board for index initiatives** that are subject to **final approval by the FTSE Russell Index Governance Board**.
Responsibilities	
• Advise and comment on any **proposed changes to the Ground Rules** for ICB and if appropriate, recommend any proposed changes for further. review and consideration. • Review the adequacy and **appropriateness of ICB structure**, and, if appropriate, recommend any proposed changes for further discussion. • Advise and comment on **challenges to classifications** when requested by FTSE Russell.	• Discuss substantive **changes to FTSE Russell index methodologies and classification schemes**. • Opine on the **application of guidelines** such as the Statement of Principles. • Discuss the recommendations for **changes to country classification** made by the FTSE Equity Country Classification Advisory Committee and the regional advisory committees.

SUSTAINABLE GROWTH
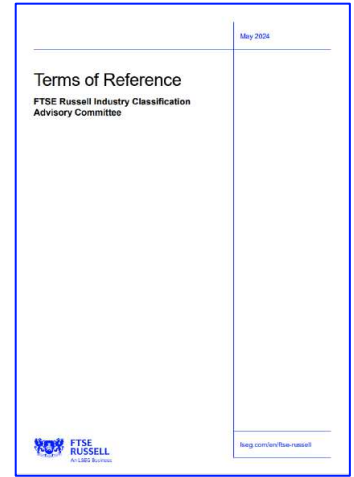
LSEG
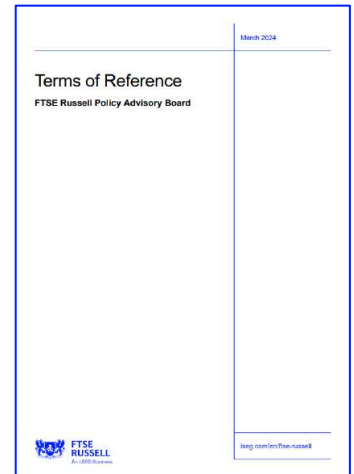
Data sources of ICB classifications

Companies are allocated to subsectors based on a transparent research process to determine the nature of its business, which includes assessment of revenue source data and other publicly available information.

When revenue data is available:

- A company will be allocated to that subsector of ICB whose definition most closely coincides with the **source of the company's revenue** or the source of the majority of its revenue.
- The principal source of information used for the classification of a company shall be its **audited accounts and directors' report**.
- Where a company carries out two or more lines of business that differ substantially from each other, FTSE Russell will base its decision on the **accounting segmentation** published in the audited accounts and directors' report.

Where revenue data is unavailable or company is new or in the course of changing its business line:

- The company will be allocated to that subsector whose definition most closely coincides with the **description of the company's business** as stated in:
  - The **company's annual report**,
  - If the annual report is not available, the company's **listing prospectus** or **regulatory filings**,
  - If none of these is available, the **company's website**.

SUSTAINABLE GROWTH

LSEG
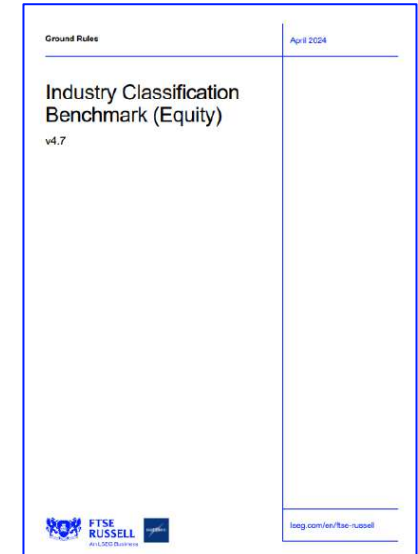
Method to assign classification

→ Exception check (financial holding)

→ Allocation by absolute revenue share – Subsector

→ Allocation by relative revenue share – Subsector
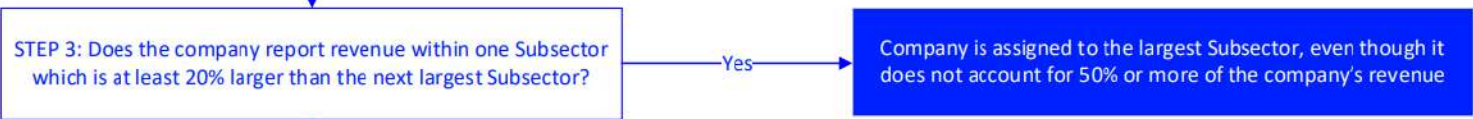
→ Exception check (banks)

→ Allocation by absolute revenue share – Sector or Industry

STEP 1: Is the company a Collective Investment Scheme or Diversified Financial Holding company? —Yes→ Company is assigned via the Collective Investment Scheme tree in Appendix A

No ↓

STEP 2: Does the company report 50% or greater of its revenue from one specific Subsector? —Yes→ Company is assigned to that Subsector

No ↓

STEP 3: Does the company report revenue within one Subsector which is at least 20% larger than the next largest Subsector? —Yes→ Company is assigned to the largest Subsector, even though it does not account for 50% or more of the company's revenue

No ↓

STEP 4: Does the company report greatest portion of its revenue from the Banking Subsector and hold a Banking License? —Yes→ Company is assigned to the Banking Subsector, even though it does not account for 50% or more of the company's revenue

No ↓

STEP 5: Does the company report 50% or greater of its revenue from one Sector or Industry? —Yes→ Company is assigned to the most appropriate* Subsector within that Sector or Industry

—No→ Company is assigned to the largest Subsector, even though it does not account for 50% or more of the company's revenue

Ground Rules — April 2024

Industry Classification Benchmark (Equity)
v4.7

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lseg.com/en/ftse-russell

SUSTAINABLE GROWTH

LSEG

Case studies: Collective Investment Scheme or Financial Holdings

Collective Investment Schemes and Financial Holding Companies
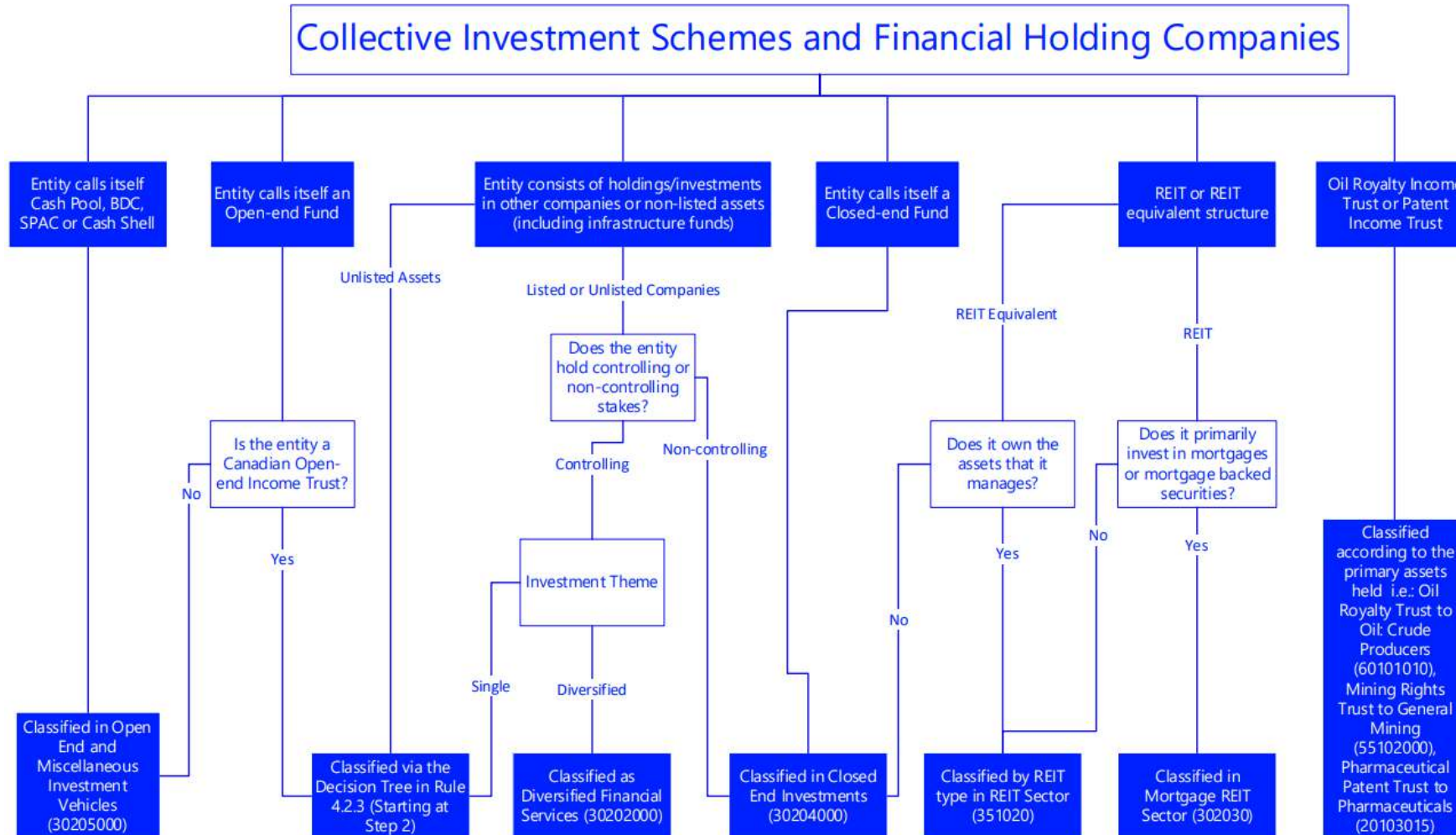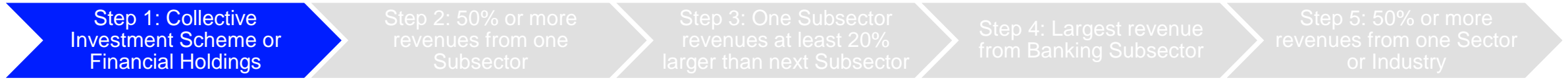
A holding greater than 50% is defined as 'controlling'. When assessing a portfolio of investments, the number of investments in which the company holds >50% must equate to 50% or more of the entire portfolio (i.e. half or more of the portfolio is made up of controlling stakes).

As part of the assessment, the investment objective of the company may also be referenced. If the objective is to exert influence, have board representation or be involved in management responsibilities of minority holdings then those holdings will be categorised as controlling interests.

Case studies: 50% or more revenues from one Subsector
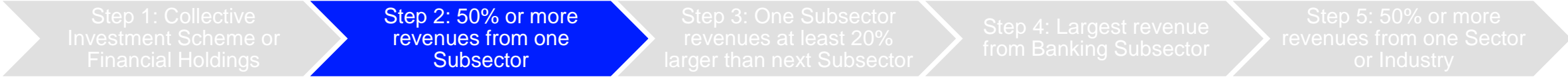
Share of company revenues by Subsector (Company A example)
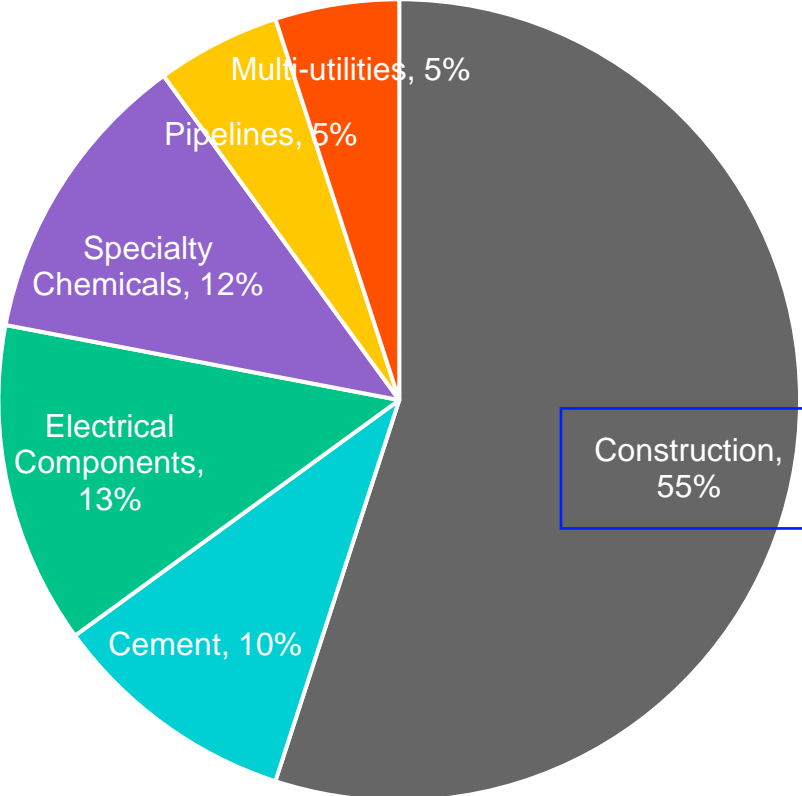
As the company generates **50% or more revenues from one Subsector**, the company is assigned to that Subsector – **Construction**.

Case studies: One Subsector revenues at least 20% larger than next Subsector

Share of company revenues by Subsector (Company A example)

Construction, 40%
Cement, 15%
Electrical Components, 13%
Specialty Chemicals, 12%
Pipelines, 10%
Multi-utilities, 10%
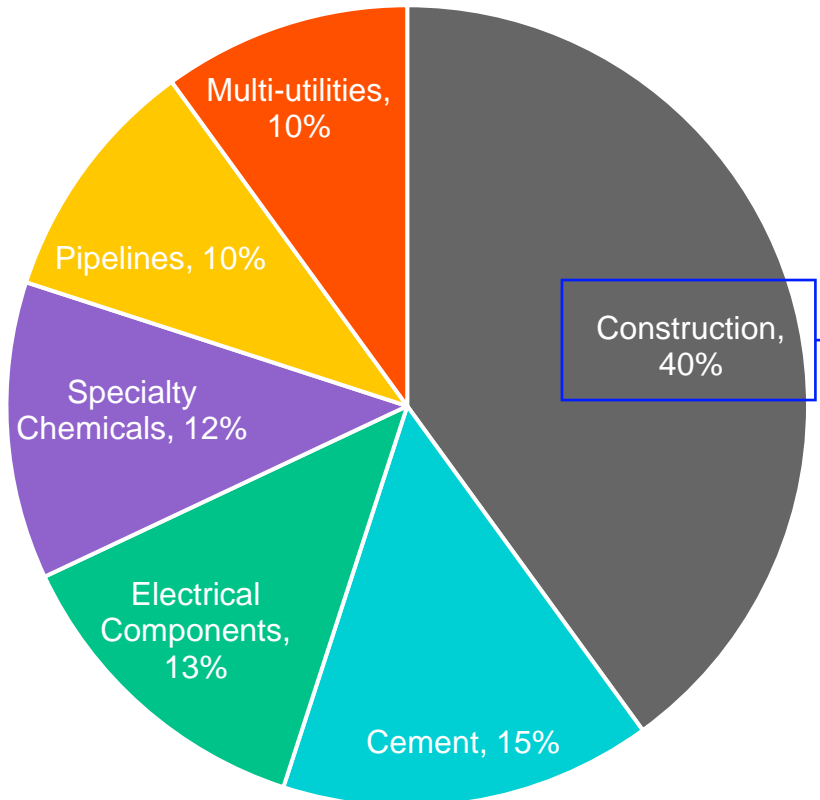
As the company generates **over 20% more** of its revenue from one Subsector to the next highest, the company is assigned to that Subsector – **Construction**.

The company does not generate 50% or more revenues from one Subsector, therefore Step 2 is not applicable.

Case studies: Largest revenue from Banking Subsector
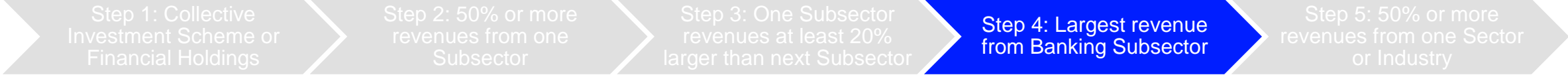
Share of company revenues by Subsector (Company B example)

Investment Services, 30%

Banks, 40%

Asset Managers and Custodians, 30%
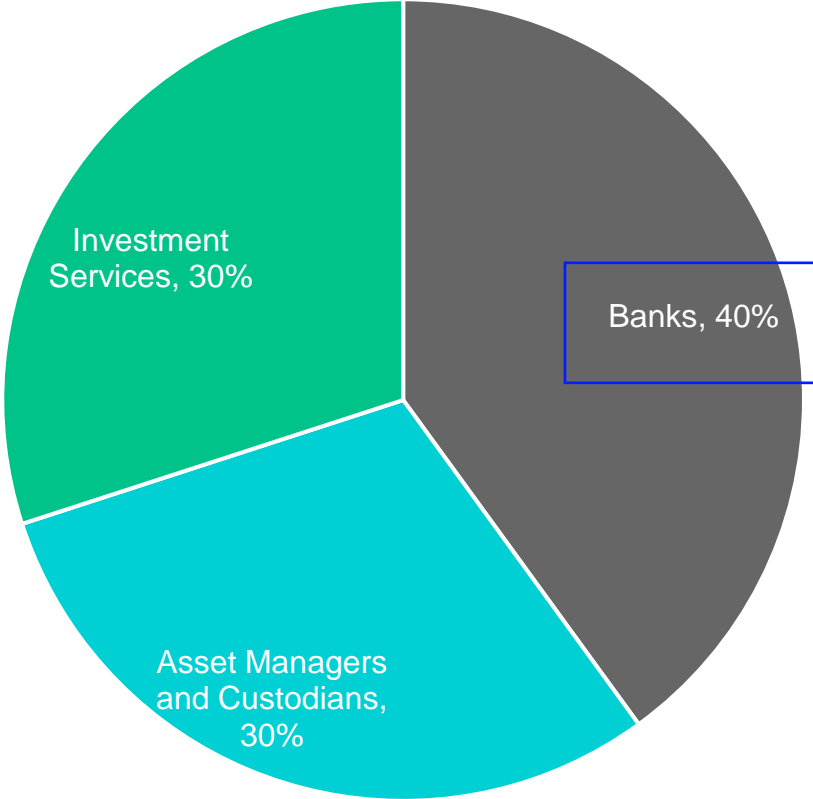
As the company **holds a banking license** AND **the Banks Subsector generates the greatest portion of revenue**, the company is assigned to the **Banks** Subsector.

If the company did not hold a Banking License it would instead have been assigned a Diversified Financial Services classification as no one Subsector is 20% or greater than the next highest.

Note: The company holds a Banking License

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Case studies: 50% or more revenues from one Sector or Industry
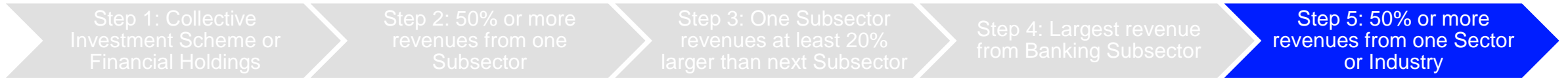
Share of company revenues by Subsector (Company C example)

Pie chart: Software, 25%; Computer Services, 30%; Telecommunications Equipment, 45%
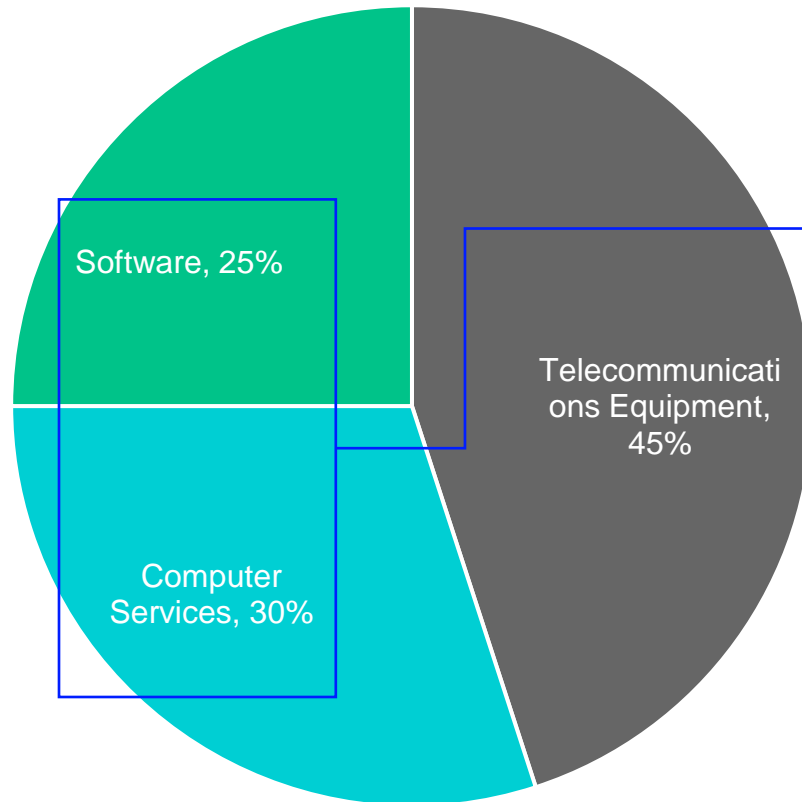
As the company **derives more than 50% of its combined revenues from the Technology Industry**, and there are no diversified Sector or Industry classifications within Technology, the company is assigned to the Subsector within the Technology Industry which provides the greatest portion of its revenue - **Computer Services**.

The company does not generate 50% or more revenues from one Subsector, therefore Step 2 is not applicable. It does not generate over 20% more of its revenue from one Subsector to the next highest, therefore Step 3 is also not applicable.

Periodic reviews of ICB classification

The classification of all companies in the ICB global universe are reviewed following receipt of their annual report. The industry classification of each company are determined by analysing the financial reports based on the rules under Section 4 of FTSE Russell's classification guidelines.

FTSE Russell ICB classification review schedule

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec

Monthly announcement of an indicative list pending periodic review changes

Quarterly announcement of confirmed periodic review changes

Implementation of confirmed periodic review changes

SUSTAINABLE GROWTH

LSEG
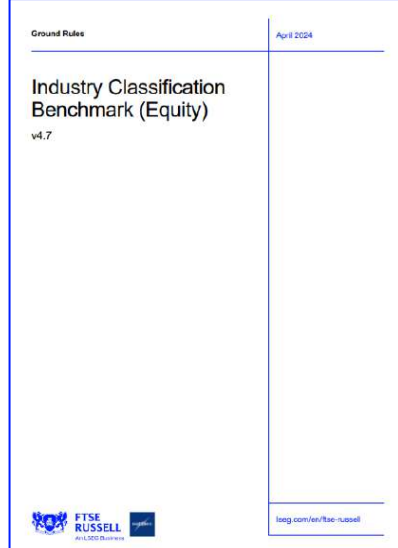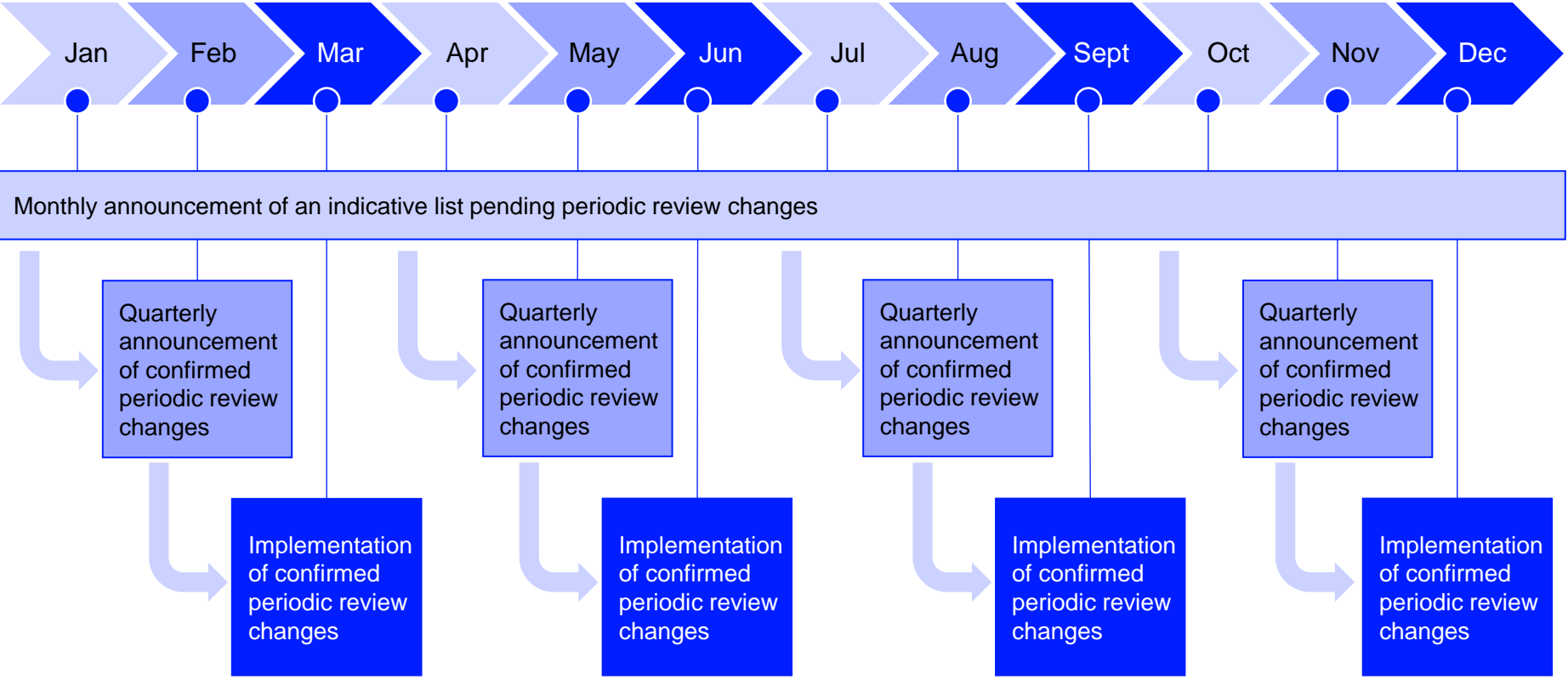
ICB classification data form

This form can be completed to query or challenge an assigned ICB classification where the enquirer proposes that an alternative classification is more appropriate. Companies should include any documentary evidence in support of their claim. Where relevant they also should include their IPO prospectus.

Source: Industry Classification Benchmark (ICB) Classification Data Form (lseg.com)
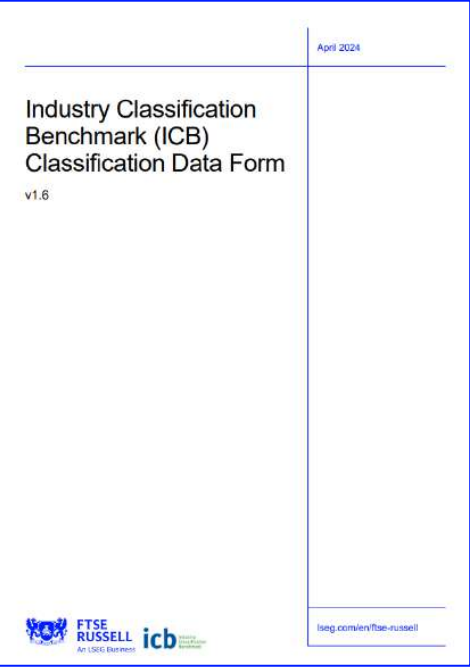
Resources

Resources: FTSE ESG

Source: ESG Solution Overview

Source: ESG Data Model Methodology

Source: ESG Scores | LSEG

Resources: FTSE ESG

Source: ESG Data Recalculation Policy and Guidelines
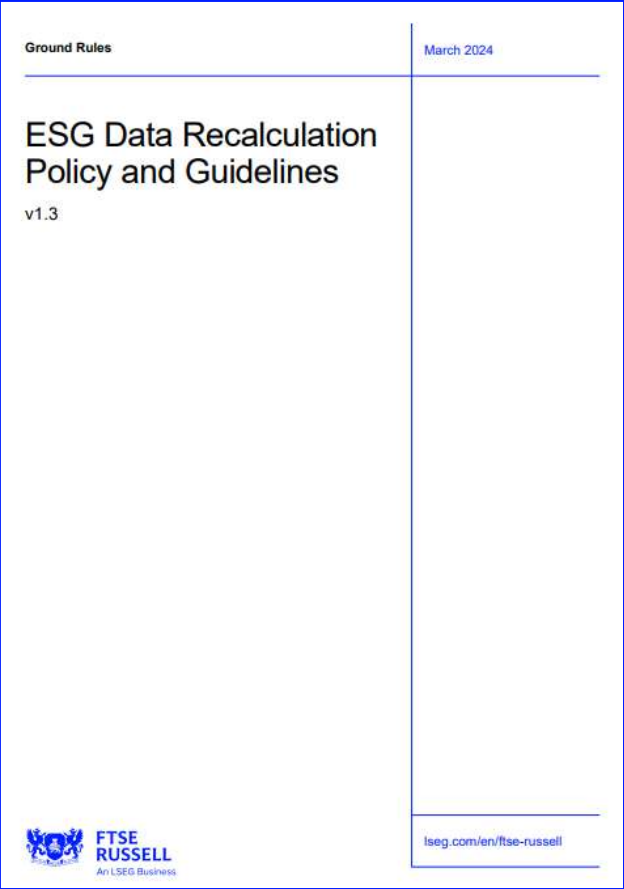
Source: Corporate engagement within sustainable investment
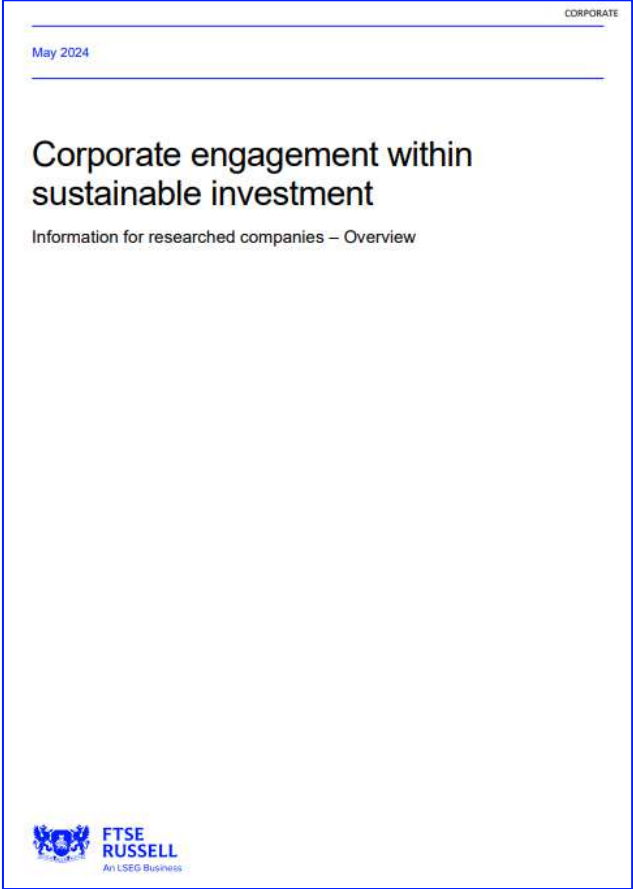
Source: LSEG Guide to ESG reporting

Resources: FTSE ICB

Source: ICB Solution Overview

Source: Industry Classification Benchmark (ICB) | LSEG

Resources: FTSE ICB

Source: Industry Classification Benchmark (Equity)

Source: Industry Classification Benchmark (ICB) Classification Data Form
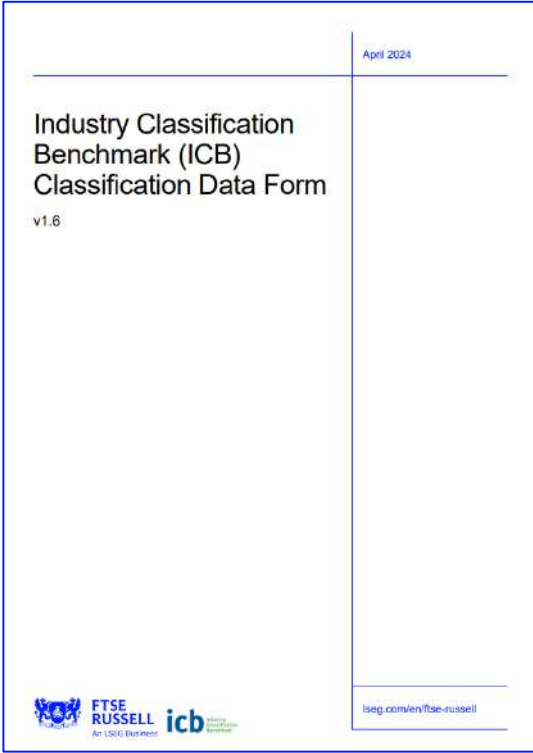
Source: Terms of Reference - FTSE Russell Industry Classification Advisory Committee
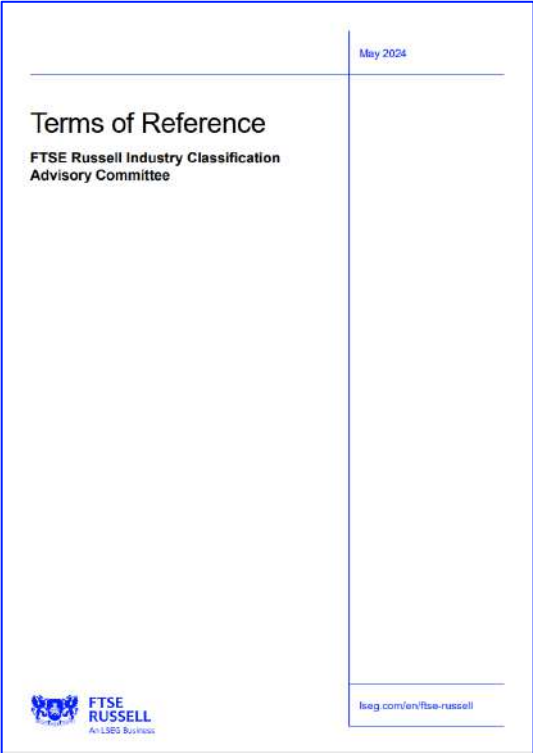
Source: Terms of Reference - FTSE Russell Policy Advisory Board
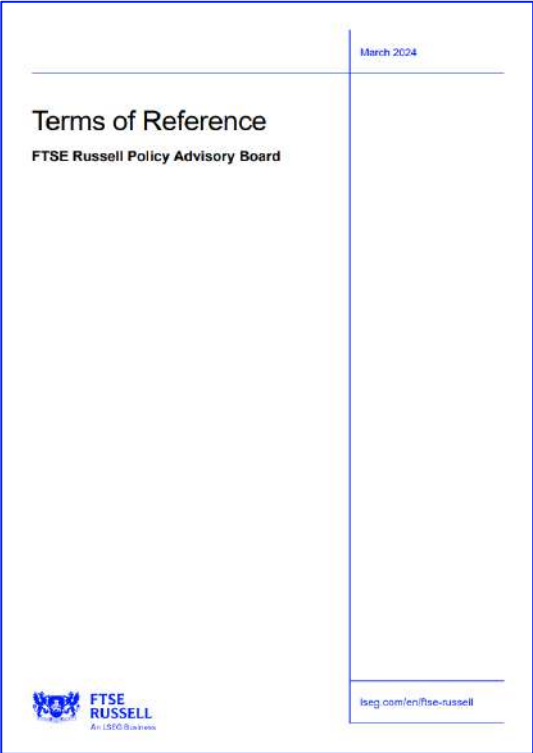
Resources: Thought Leadership

Source: Financial, Double, or Dynamic? Theories of ESG Materiality and Practitioner Approaches | Portfolio Management Research (pm-research.com)

Source: Evidencing Financial Materiality of Sovereign ESG Risk | Portfolio Management Research (pm-research.com)

Resources: Thought Leadership