

REFINITIV LIPPER FUND ESG SCORES

A pivotal data metrics partner for the transition to sustainable investing

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

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

Now combining Refinitiv Lipper's leading global fund database, covering over 330,000 funds, with our leading ESG company database representing 80% of global market cap – to create Fund ESG scores. Objective, transparent, comprehensive.

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

ESG dataset and scoring

Refinitiv offers one of the most comprehensive ESG databases in the industry, available on 9,000 companies globally and continuously growing, across more than 450 different ESG metrics, with history going back to 2002.

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

There are two overall ESG Scores in the model:

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

There are three total pillar scores to review how a fund or company performed according to the individual pillars of E, S and G.

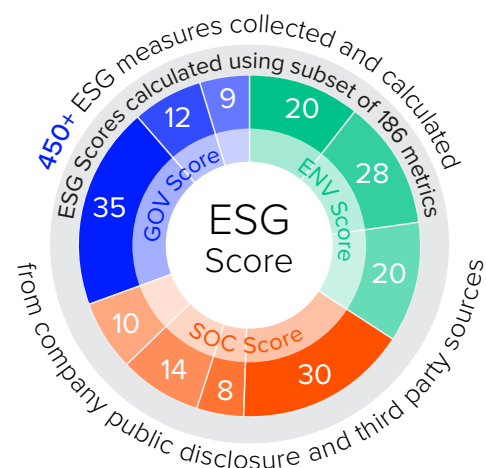
Impartiality our core strength

We remain committed to keeping our scoring system to being one of the most objective in the industry, our ESG scores are calculated with a data driven approach. Our ESG scoring methodology has an extensive range of calculation principles, detailed in our ESG Scores April 2020 publication. Three core ones being:

Relative benchmarks – Comparable industry and country scoring offering accurate peer analysis.

A materiality matrix – As the importance of ESG factors differs across industries. Our materiality weighting determines the relative importance of each ESG theme to each industry group.

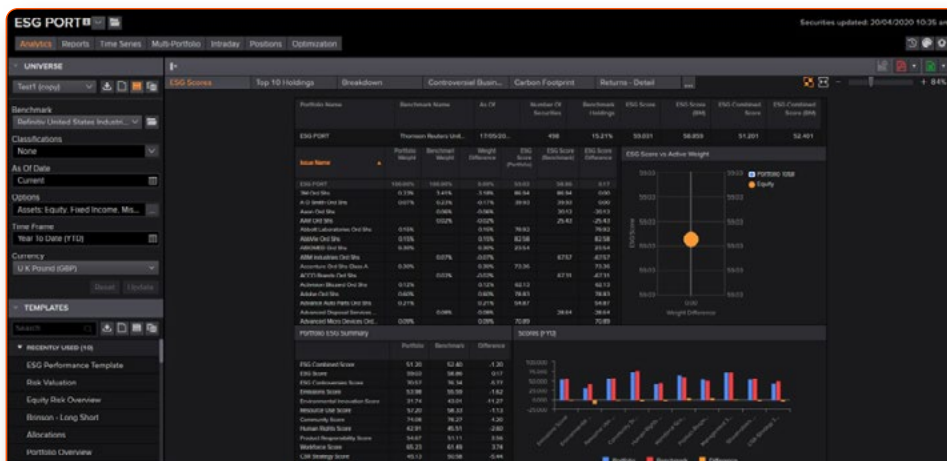
Transparency weighting – Company disclosure is key to our methodology. As not reporting data points negatively affect a company score.



Portfolio Analytics

A full suite of analytical tools can illustrate how the constituents within a portfolio are performing against peers, benchmarks or take a more granular view on how each of a funds' holdings perform against the 10 main themes identified in the ESG proposition. Get a summary analysis of a portfolio's exposure from the ESG analytical tools.

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



Refinitiv Lipper Fund ESG Scores

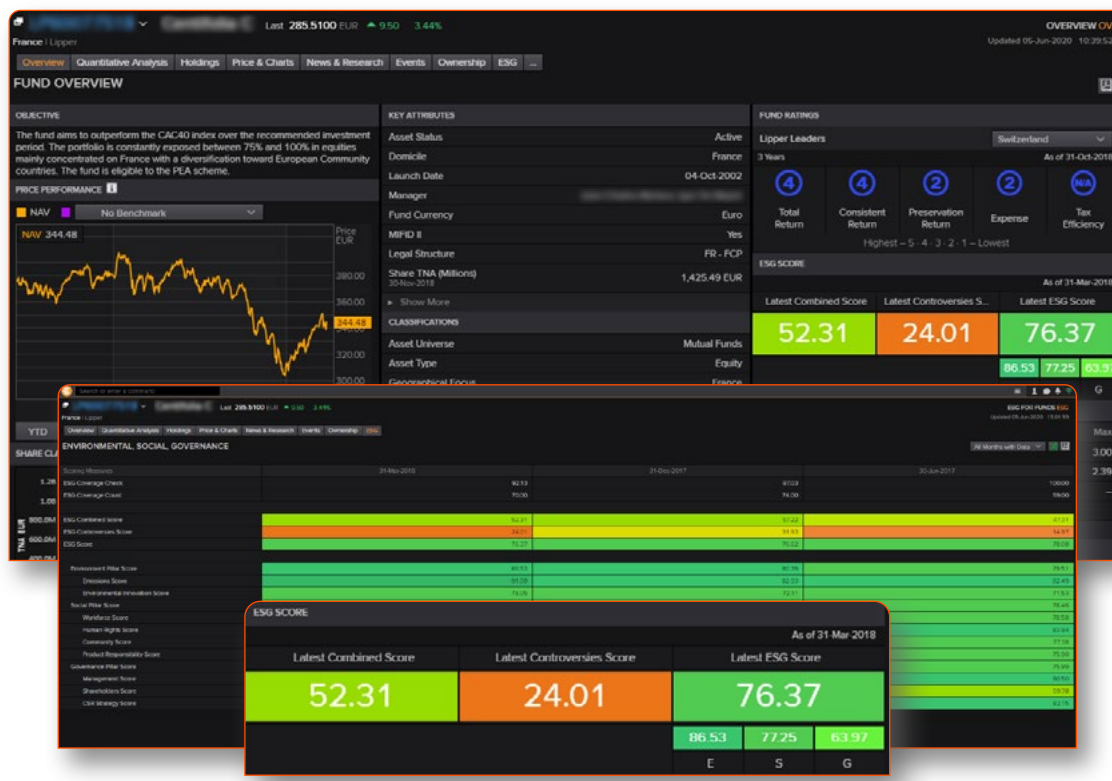
We have in addition to security level portfolio analytics, Refinitiv Lipper Fund ESG scores which provide investors and fund selectors with independent overall fund level scores which describe the sustainability of a particular investment fund. All the scores are rolled up from the security level (holdings) to give a fund level score.

Our data and analytical tools help to identify funds with strong ESG practices and screen through funds on a given ESG criteria across the Refinitiv Lipper database. Only funds that meet our eligibility

criteria will be awarded and then calculated with an ESG fund score, a portfolio must have a minimum of 10 securities, and individual ESG security scores must be available for 70% of the portfolio.

As ESG interest and investing continues to take momentum across the investment industry, our ESG data and solutions have been keeping pace with these developments. Refinitiv Lipper will be following its fund ESG scores with its own official ESG rating system to further help in identifying funds with strong responsible investing principles.

For illustration purpose only



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