S&P Global Sustainable1
Governance of Methodologies and Models

S&P Global Sustainable1 (S1), including S&P Global Energy ESG Ratings Europe Limited, maintains a documented governance framework for the development, review, approval and monitoring of the methodologies and models supporting its analytical products. S1's methodologies are designed to be rigorous, systematic, independent, continuous, and capable of justification.

Materiality and Change Management

A change is considered material when it may reasonably be expected to affect methodology outputs, rating outcomes, analytical conclusions, key assumptions, scope or the application of the methodology. Materiality is assessed through the governance process based on the scale, nature and potential analytical impact of the change, which determines the applicable review, approval, disclosure and implementation requirements.

Peer Review and Methodology Operational Sub-Committee Review

Non-regulated methodologies and models undergo peer review and committee approval, including committee assignment, a kick-off debrief on scope and design, detailed evaluation of assumptions and data, and final approval and documentation. Methodologies and models associated with potentially regulated products undergo an additional review by the Methodology Operational Sub-Committee (MOC), convened separately for each regulated product group, and final approval by the Covered Model and Methodology Governance Committee.

Independent, Risk-Based Review

Methodologies and models are subject to review by teams that are independent of those who developed them. Analytical Risk & Quality (ARQ) performs an independent, risk-based review of methodologies, models and the broader governance framework to evaluate the soundness, consistency, robustness and integrity of the resulting analytical outcomes. The depth of review is proportionate to the nature, scope and potential impact of the methodology or model.

Committee Oversight and Approval

Two governance committees oversee approval: the Covered Model and Methodology Governance Committee (CMMGC) for methodologies and models associated with regulated products, and the Model and Methodology Governance Committee (MMGC) for all others. Both committees conduct risk assessments and approve new methodologies and models, material changes, and retirements. No methodology, model, or dataset is released without governance review and committee approval.

Data Quality

S1 maintains policies and procedures to support the use of data that is accurate, complete, timely and fit for purposes. Data input, dependencies and outputs are assessed through defined quality indicators, controls, validation and monitoring. Third-party data and external content are evaluated for quality and suitability, and identified issues may inform remediation, control enhancements, or methodology and model revisions.

Ongoing Monitoring

Methodologies and models associated with regulated products are monitored using a risk-based approach and are typically reviewed at least annually to confirm continued analytical quality, adherence to the methodology, and appropriate use of related models.

Transparency and Public Disclosure

Approved methodologies are published on the Sustainable1 public website. For material changes, S1 makes reasonable business efforts to publish the change and the reason for it before providing broad customer access, while protecting confidential information until publication.