

FTSE4Good Index Series - Inclusion Criteria - Ground Rule Update

09 September 2019

FTSE Russell would like to inform clients of the following update to the FTSE4Good Index Series which is effective from December 2019.

New Rules - updates highlighted in bold

Section 4: Eligibility Criteria

- 6.1.4 Companies in a Developed market require an **ESG Rating of 3.3** or above to be added to the FTSE4Good Index Series, subject to the additional requirements shown in Rule 6.2.
- 6.1.5 Companies in an Emerging Market require an **ESG Rating of 2.9** or above to be added to the FTSE4Good Index Series, subject to the additional requirements stated in Rule 6.2.
- 6.1.6 Constituents of the FTSE4Good Index Series in a Developed market **with an ESG Rating below 2.9 or having one or more ESG Themes assessed as high Exposure with a corresponding score of 0** are at risk of deletion from the FTSE4Good Index Series.
- 6.1.7 Constituents of the FTSE4Good Index Series in an Emerging market and an **ESG Rating below 2.4** are at risk of deletion from the FTSE4Good Index Series.
- 6.1.9 FTSE Russell will make reasonable endeavours to inform any companies that are in the FTSE4Good Index Series and **are at risk of deletion**. If a constituent of the FTSE4Good Index Series still scores below the required level following a 12 month period they will be deleted unless FTSE Russell, following consultation with the FTSE Russell ESG Advisory Committee, approves a longer period to apply.

Old Rules

Section 4: Eligibility Criteria

- 6.1.4 Companies in a Developed market require an ESG Rating of 3.1 or above to be added to the FTSE4Good Index Series, subject to the additional requirements shown in Rule 6.2.
- 6.1.5 Companies in an Emerging Market require an ESG Rating of 2.5 or above to be added to the FTSE4Good Index Series, subject to the additional requirements stated in Rule 6.2.
- 6.1.6 Constituents of the FTSE4Good Index Series in a Developed market and an ESG Rating below 2.7 are at risk of deletion from the FTSE4Good Index Series.
- 6.1.7 Constituents of the FTSE4Good Index Series in an Emerging market and an ESG Rating below 2.1 are at risk of deletion from the FTSE4Good Index Series.
- 6.1.9 FTSE Russell will make reasonable endeavours to inform any companies that are in the FTSE4Good Index Series and have an ESG Rating below the required level. If a constituent of the

FTSE4Good Index Series still scores below the required level following a 12 month period they will be deleted unless FTSE Russell, following consultation with the FTSE Russell ESG Advisory Committee, approves a longer period to apply.

New Rule

6.4 Companies with a Low Score in a Theme Where Assessed as High Exposure

Companies within a developed market that have a score of zero or one in any applicable High Exposure Theme will not be added to the FTSE4Good Index Series. **Companies within an emerging market that have a score of zero in any applicable High Exposure Theme will not be added to the FTSE4Good Index Series.**

Old Rule

6.4 Companies with a Low Score in a Theme Where Assessed as High Exposure

Companies within a developed market that have a score of zero or one in any applicable High Exposure Theme will not be added to the FTSE4Good Index Series.

An updated copy of the FTSE4Good Index Series Ground Rules (v3.6) is now available using the following link:

FTSE4Good Index Series Ground Rules [FTSE4Good_Index_Series](#)

Or on the FTSE Russell website: www.ftserussell.com

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