Business Activity Screening (BAS) for Exclusion-Based Indexes
Challenges and Appeals
v1.0
Challenges and Appeals

1.0 Introduction

1.1 This document sets out the process by which a company or FTSE Russell client may challenge the business activity screen that FTSE Russell has applied as part of the business activity screening service. The business activity screening service provides investors with the option to exclude specific instruments linked to activities or products that they find unacceptable, forming an ‘exclusion list’.

1.2 Further information regarding how an index utilizes exclusion lists can be found in its respective ground rules document.

2.0 Challenges

2.1 If a company (or professional advisor acting on behalf of the company) or FTSE Russell client wishes to challenge its classification in a business activity they should contact Client Services (info@ftserussell.com) with the subject <Company Name> Business Activity Challenge. The reasons for challenging the classification should be stated, attaching any documentary evidence in support of the challenge. In considering the challenge, FTSE Russell may only take account of publicly available information.

2.2 FTSE Russell’s Data Management function will review the company’s classification based on its own analysis and evidence provided by or on behalf of the company. If a classification change is supported, this will be reflected in the exclusion lists.

2.3 The outcome of the review and the rationale for the decision will be communicated via info@ftserussell.com to the representative that presented the challenge.

3.0 Appeals

3.1 Should a complainant disagree with the decision reached by FTSE Russell and wish to submit an appeal, it may do so by contacting info@ftserussell.com. In such an event, the FTSE Russell ESG Advisory Committee will provide a recommendation based on the information contained within the appeal, original documentary evidence and FTSE Russell’s analysis.

3.2 The recommendation of the Advisory Committee will be presented to the FTSE Russell Product Governance Board for a final decision. The decision will be communicated to the complainant by the Secretary to the FTSE Russell Product Governance Board, with an explanation, including relevant data.

3.3 Any adjustment resulting from a change in a company’s classification will be reflected in relevant exclusion lists.
4.0 Reflecting a Business Activity Adjustment Within a FTSE Russell Index

4.1 In the event that this process results in an adjustment to the business activity of an existing index constituent and means it is no longer eligible for inclusion in an exclusion-based index, notice of the intention to remove it from the index will be supplied to the market on a T+2 basis.

4.2 In the event that the adjustment to the business activity of a company results in it becoming eligible for inclusion in an exclusion-based index, it will be assessed for inclusion at the next scheduled review of that index series.

5.0 Further Information

5.1 The FTSE Russell complaints procedure for benchmark determinations can be accessed using the following link:

Benchmark_Determination_Complaints_Handling_Policy.pdf

The FTSE Russell Appeal Process can be accessed using the following link:

Appeals_Against_Decisions.pdf
Further Information

For further information on FTSE Russell Indexes please visit www.ftserussell.com or e-mail info@ftserussell.com. Contact details can also be found on the website.