



FTSE4Good Index Series - Ground Rule Update

22 December 2021

FTSE Russell would like to inform clients of the following update to the FTSE4Good Index Series Ground Rules which is effective immediately.

Section 6: Eligibility Criteria

New Rule

6.4.1 Non-constituents

Companies identified as having significant controversies are not added to the FTSE4Good Index Series at a review and placed on a watchlist. The watchlist is determined through a process which systematically analyses the seriousness of ESG incidents, criticism, and allegations against companies and projects worldwide to determine how controversial a company is. The top five percent of companies in the FTSE All World universe with the most significant allegations are included in the watchlist at a review; companies in wider FTSE4Good Universes that meet the threshold for the watchlist are also not added to their respective FTSE4Good Indices. The watchlist also includes companies where any of the world's largest asset owners (top **40** by assets under management) currently take a public stance in excluding that company from their portfolios on the basis of **conduct-related** environmental, social or governance concerns.

Old Rule

6.4.1 Non-constituents

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An updated copy of the FTSE4Good Index Series Ground Rules (v4.4) is now available using the following link: [FTSE4Good_Index_Series.pdf](#)

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

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