

# ESG Data Recalculation Policy and Guidelines

v1.3



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# ESG data recalculation policy

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## ESG data recalculation policy

This document sets out FTSE Russell's ESG Data Recalculation Process. This applies to FTSE ESG Data Products listed in the [Guide to FTSE and Third Party ESG Data used in FTSE Russell Indices.pdf](#).

FTSE Russell makes every effort to maintain its data and indices to high standards; nevertheless, inaccuracies may arise in the products from time to time and investors, index constituents, licensees or other market participants should be aware of this. Inaccuracies in FTSE ESG data products may arise as a result of a range of events including: the process and complexities of capturing ESG data from a wide variety of underlying data sources; the timings of when a company updates or releases such information; disagreement over whether a company meets a specific ESG indicator; the process of interacting with a company to capture feedback on their publicly disclosed information; entering company data into FTSE Russell systems; the result of automated calculation where applicable; and the provision of inaccurate, incomplete or late data whether occurring internally or externally to FTSE Russell.

Where an inaccuracy in a FTSE ESG data product is identified, FTSE Russell will follow the guidelines set out in this document when determining if this should be recalculated. These guidelines, however, should not be construed as definitive rules that determine the steps FTSE Russell will take whenever an inaccuracy is identified.

It is possible that circumstances, including external events beyond the control of FTSE Russell, may necessitate changes to, or the cessation of, a ESG data product and therefore, any financial contracts or other financial instruments or investment funds that reference any ESG data product should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the product.

ESG data product users should assess the merits of the relevant ESG data product series' rules-based methodology and take independent investment advice before making investment decisions based on this data. Users should also be aware that ESG data is based on evolving standards and can feature nuances in interpretation and analysis.

No liability whether as a result of negligence or otherwise is accepted by FTSE Russell for any losses, damages, claims and expenses suffered by any person as a result of:

- any reliance on these guidelines;
- any errors or inaccuracies in these guidelines;
- any non-application or misapplication of the policies or procedures described in these guidelines; and/or
- any errors or inaccuracies in the compilation of any ESG data product or any constituent data.

# ESG data complaints process

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## Complaints

The FTSE Russell complaints procedure can be accessed using the following link:

[Benchmark\\_Determination\\_Complaints\\_Handling\\_Policy.pdf](#)

If a company wishes to challenge its ESG Data, it should contact [FTSE4Good@FTSERussell.com](mailto:FTSE4Good@FTSERussell.com); queries outside of this channel may be delayed or missed. The reasons for challenging ESG Data should be stated, have regard to the ESG Data Recalculation Guidelines, and any documentary evidence in support of the claim should be attached. In considering the claim, FTSE Russell may only take account of publicly available information available at the time of the ESG Data assessment.

When making its decision in line with ESG Data Recalculation Guidelines and Policy, FTSE Russell will make reference to the data collection process outlined earlier in this document and the indicator guidance made available to analysts. FTSE Russell aims to ensure that the correct ESG Data collection processes have been followed and that the methodologies have been applied consistently across companies.

FTSE Russell will review the company's ESG Data based on its own analysis and evidence provided by or on behalf of the company, with reference to the ESG Data Recalculation Guidelines. If a ESG Data change is supported, it will be implemented at a subsequent data update. If a data update is not supported by FTSE Russell, the complainant will be informed of this outcome with the rationale for the decision.

# ESG data recalculation guidelines

## ESG data recalculation guidelines

Event type	Decision criteria	ESG data update
<b>Challenge to the incorporation of company feedback</b>	If FTSE Russell determines that the feedback process was not followed correctly and that updates to the ESG data are required.	At the next quarterly update of ESG data
<b>ESG data miscalculation</b>	Following investigation by FTSE Russell, it is found there was a miscalculation of ESG data.	At the next quarterly update for ESG data.
<b>New information availability</b>	ESG data takes into account publicly available information at the time of the assessment and not subsequent publications.	Information provided after the closing of the company feedback process will be considered at the next quarterly update of ESG data.

### Indices that use ESG Data

ESG data products are used as inputs into FTSE Russell ESG indices and are listed on the FTSE Russell website and the relevant ground rules.

**Further information about the FTSE Russell Equity Index Recalculation Policy can be accessed using the following link:**

[Equity Index Recalculation Policy and Guidelines.pdf](#)

An update in ESG data may impact ESG equity index inclusion and will depend on the frequency of the index rebalance.

# Further information

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For further information on FTSE Russell Indexes, please visit [www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/) or e-mail [info@ftserussell.com](mailto:info@ftserussell.com).

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