

FTSE All-World ex Coal Reserves Index Series

v2.4



**FTSE
RUSSELL**

An LSEG Business

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Section 1

Introduction

1. Introduction

- 1.1 This document sets out the Ground Rules for the construction and management of the FTSE All-World ex Coal Reserves Index Series (the “Index Series”). Copies of these Ground Rules are available from www.lseg.com/en/ftse-russell/.
- 1.2 The FTSE All-World ex Coal Reserves Index Series is designed to represent the performance of companies in specific market segments of the FTSE All-World Index after the exclusion of companies that have certain exposure to coal mining.
- 1.3 The FTSE All-World ex Coal Reserves Index Series takes account of ESG factors in its index design. Please see further details in Section 4 and Section 5.
- 1.4 These Ground Rules should be read in conjunction with the FTSE Global Equity Index Series Ground Rules.
- 1.5 The indices are calculated and published in US Dollars (USD). The indices may also be calculated in other currencies.
- 1.6 Price, Total Return and Net of Tax Indices will be available. The Total Return and Net of Tax Indices include income based on ex-dividend adjustments.
- 1.7 FTSE Russell**
- FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc. and FTSE Fixed Income Europe Limited), FTSE Fixed Income LLC, FTSE (Beijing) Consulting Limited, Refinitiv Benchmark Services (UK) Limited, Refinitiv Limited and Beyond Ratings.
- 1.8 FTSE Russell hereby notifies users of the index series that it is possible that factors, including external factors beyond the control of FTSE Russell, may necessitate changes to, or the cessation, of the index series and therefore, any financial contracts or other financial instruments that reference the index series or investment funds which use the index series to measure their performance should be able to withstand, or otherwise address, the possibility of changes to, or cessation of, the index series.
- 1.9 Index users who choose to follow this Index Series or to buy products that claim to follow this Index Series should assess the merits of the index’s rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell (or any person concerned with the preparation or publication of these Ground Rules) for any losses, damages, claims and expenses suffered by any person as a result of:
- any reliance on these Ground Rules;
 - any inaccuracies in these Ground Rules;
 - any non-application or misapplication of the policies or procedures described in these Ground Rules; and/or
 - any inaccuracies in the compilation or any constituent data in the index series.

Section 2

Management responsibilities

2. Management responsibilities

2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series¹.

2.1.2 FTSE is responsible for the daily calculation, production and operation of the index series, and will:

- maintain records of the index weightings of all constituents and reserve companies;
- make changes to the constituents and their weightings in accordance with the Ground Rules;
- carry out the periodic index reviews of the index series and apply the changes resulting from the reviews as required by the Ground Rules;
- publish changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews; and
- disseminate the indices.

2.1.3 FTSE is responsible for maintaining the list of excluded companies (see Rule 4.4).

2.2 Amendments to these Ground Rules

2.2.1 These Ground Rules shall be subject to regular review (at least once a year) by FTSE Russell to ensure that they continue to best reflect the aims of the index series. Any proposals for significant amendments to these Ground Rules will be subject to consultation with FTSE Russell advisory committees and other stakeholders if appropriate. The feedback from these consultations will be considered by the FTSE Russell Index Governance Board before approval is granted.

2.2.2 Where FTSE Russell determines that the Ground Rules are silent or do not specifically and unambiguously apply to the subject matter of any decision, any decision shall be based as far as practical on the Statement of Principles. After making any such determination, FTSE Russell shall advise the market of its decision at the earliest opportunity. Any such treatment will not be considered as an exception or change to the Ground Rules, or to set a precedent for future action, but FTSE Russell will consider whether the Ground Rules should subsequently be updated to provide greater clarity.

¹ The term administrator is used in this document in the same sense as it is defined in [Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds](#) (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation).

Section 3

FTSE Russell index policies

3. FTSE Russell index policies

3.1 These Ground Rules should be read in conjunction with the following policy documents, which can be accessed using the links below:

3.2 FTSE Global Equity Index Guide to Calculation Methods

The aim of the guide is to describe how the indices are calculated, to facilitate users' replication of the indices in order to support their investment and trading activities and to assist users in understanding the factors which influence the performance of the indices.

[FTSE Global Equity Index Series Guide to Calc.pdf](#)

3.3 Corporate Actions and Events Guide

3.3.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using the following link:

[Corporate Actions and Events Guide.pdf](#)

3.4 Statement of Principles for FTSE Russell Equity Indices (the Statement of Principles)

3.4.1 Indices need to keep abreast of changing markets and the Ground Rules cannot anticipate every eventuality. Where the Ground Rules do not fully cover a specific event or development, FTSE Russell will determine the appropriate treatment by reference to the Statement of Principles, which summarises the ethos underlying FTSE Russell's approach to index construction. The Statement of Principles is reviewed annually and any changes proposed by FTSE Russell are presented to the FTSE Russell Policy Advisory Board for discussion before approval by the FTSE Russell Index Governance Board.

The Statement of Principles can be accessed using the following link:

[Statement of Principles.pdf](#)

3.5 Queries and Complaints

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

[Benchmark Determination Complaints Handling Policy.pdf](#)

3.6 Index Policy for Trading Halts and Market Closures

3.6.1 Guidance for the treatment of index changes in the event of trading halts or market closures can be found using the following link:

[Index Policy for Trading Halts and Market Closures.pdf](#)

3.7 Index Policy in the Event Clients are Unable to Trade a Market

3.7.1 Details of FTSE Russell's treatment can be accessed using the following link:

[Index Policy in the Event Clients are Unable to Trade a Market.pdf](#)

3.8 Recalculation Policy and Guidelines

3.8.1 Where an inaccuracy is identified, FTSE Russell will follow the steps set out in the FTSE Russell Index Recalculation Guidelines when determining whether an index or index series should be recalculated and/or associated data products reissued. Users of the FTSE All-World ex Coal Reserves Index Series will be notified through appropriate media.

For further information refer to the FTSE Russell Recalculation Policy and Guidelines document which is available from the FTSE Russell website using the link below or by contacting info@ftserussell.com.

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

3.9 Recalculation Policy and Guidelines – ESG Data and Scores

Where an inaccuracy in ESG data is identified, FTSE Russell will follow the guidelines set out in this document when determining if a ESG Data Product should be recalculated.

[Recalculation Policy and Guidelines Sustainable Investment.pdf](#)

3.10 Policy for Benchmark Methodology Changes

3.10.1 Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

[Policy for Benchmark Methodology Changes.pdf](#)

3.11 FTSE Russell Governance Framework

3.11.1 To oversee its indices, FTSE Russell employs a governance framework that encompasses product, service and technology governance. The framework incorporates the London Stock Exchange Group's three lines of defence risk management framework and is designed to meet the requirements of the IOSCO Principles for Financial Benchmarks², the European benchmark regulation³ and the UK benchmark regulation⁴. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

3.12 Real Time Status Definitions

3.12.1 For indices which are calculated in real time, please refer to the following guide for details of real-time status definitions:

[Real Time Status Definitions.pdf](#)

² IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013.

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

⁴ The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019.

Section 4

Eligible securities

4. Eligible securities

4.1.1 The eligible universe of each ex-coal index are the constituents of the corresponding underlying index after the application of the exclusions criteria detailed in Rule 4.2.

Index name	Underlying universe
FTSE All-World ex Coal Reserves (>50%) Index	FTSE All-World
FTSE Developed ex Coal Reserves (>50%) Index	FTSE All-World Developed
FTSE North America ex Coal Reserves (>50%) Index	FTSE All-World Developed North America
FTSE Developed ex North America ex Coal Reserves (>50%) Index	FTSE All-World Developed ex North America
FTSE Emerging ex Coal Reserves (>50%) Index	FTSE All-World Emerging

4.1.2 Unless stated otherwise these Ground Rules follow the Ground Rules of the FTSE Global Equity Index Series, which are available from FTSE Russell or directly from the website www.lseg.com/en/ftse-russell/.

4.2 Excluded companies

4.2.1 At each index review date, companies with the business activities listed in the table below are excluded from the eligible universe.

Category	Definition
Coal Reserves	Companies that own proved or probable reserves in coal – equal or greater than 50% ownership
Coal Mining	Companies classified in the following ICB subsector ⁵ : 60101040 Coal- Companies that mine, process and market coal

⁵ The Industry Classification Benchmark (ICB) is a detailed and comprehensive structure for sector and industry analysis, facilitating the comparison of companies across four levels of classification and national boundaries. The classification system allocates companies to the Subsector whose definition closely describes the nature of its business as determined from the source of its revenue or the source of the majority of its revenue where available. Further detail and subsector definitions can be found on the ICB webpage: [Industry Classification Benchmark \(ICB\)](#) and in the ICB Ground Rules: [ICB Rules](#)

Section 5

ESG data inputs

5. ESG data inputs

5.1.1 The following ESG datasets are used in the construction of the indices.

ESG data inputs	Details	Used for selection, weighting or exclusion ⁶
Product-related data – FTSE Russell	FTSE exclusion lists on the activities of companies with exposure to specific products or services. More information can be found in Section 7 of the Guide to the Construction and Maintenance of FTSE Exclusion Lists.pdf .	Exclusion
Minimum set of exclusions for ESG indices	The minimum set of exclusions are applied to this index series with effect from September 2023. Details of the minimum exclusions can be found in Section 8 of the Guide to the Construction and Maintenance of FTSE Exclusion Lists.pdf .	Exclusion

5.1.2 Further information on ESG data provided by FTSE Russell and third parties used in this index (index series) can be found in the following guide:

[Guide to FTSE and Third Party ESG Data used in FTSE Russell Indices](#)

This includes information on the data and standards used for these ESG data inputs. These data sets may include estimated data.

5.2 ESG Metrics

5.2.1 Please see the FTSE Russell [ESG Metrics](#) website for the scores and values of the environmental, social and governance (ESG) factors listed in Annex II to Delegated Regulation (EU) 2020/1816.

Further details on the metrics methodology and calculation are available using the following links:

[Sustainability and ESG data](#)

[ESG Disclosures Methodology and Calculation Guide](#)

⁶ Definitions

Selection - ESG data is used to select or rank constituents, or calculate minimum scores or thresholds.

Weighting - ESG data is used to calculate the weight of a constituent in an index.

Exclusion - ESG data is used to exclude companies from the index.

Section 6

Periodic review of constituents

6. Periodic review of constituents

- 6.1 The Index Series will be reviewed in accordance with the FTSE Global Equity Index Series Ground Rules.
- 6.2 The list of excluded companies will be reviewed semi-annually in March and September using revenue and reserves data at the close of business on the Friday four weeks prior to the review effective date.
- 6.3 The data cut-off dates for ESG data inputs are in the [Guide-to-FTSE-and-Third-Party-ESG-Data-used-in-FTSE-Russell-Indices.pdf](#)

Section 7

Changes to constituent companies

7. Changes to constituent companies

7.1 Additions outside of a review

7.1.1 Fast entrants to the FTSE All-World Index will be eligible for inclusion in the index series and reviewed at the next semi-annual review.

7.1.2 If a constituent of the Index Series has a corporate action that involves a spin-off, the newly spun-off entity will be included in the Index Series if it remains a constituent of the FTSE All-World Index. The eligibility of the spun-off company for inclusion in the Index Series after the next semi-annual review will be assessed at that semi-annual review.

7.2 Deletions

7.2.1 If a constituent is removed from the FTSE All-World Index, it will be removed from the index series. The removal will be concurrent with the removal of the stock from the FTSE All-World Index. Intra-review deletions will not be replaced.

7.3 Mergers and takeovers

7.3.1 If a constituent of the Index Series has a corporate action that involves a merger or takeover, the resulting company will be included in the Index Series if it remains a constituent of the FTSE All-World Index. The eligibility of the resulting company for inclusion in the Index Series after the next semi-annual review will be assessed at that semi-annual review.

7.4 Suspension of dealing

7.4.1 The Index Series will treat suspension of dealing in line with the FTSE All-World Index.

7.5 Relisting of suspended constituents

7.5.1 The Index Series will treat the relisting of suspended constituents in line with the FTSE All-World Index.

Section 8

Changes to constituent weightings

8. Changes to constituent weightings

- 8.1 The index series will treat changes to constituent weightings in line with the FTSE All-World Index.

Section 9

Indices algorithm and calculation method

9. Indices algorithm and calculation method

9.1 Prices

9.1.1 The Index Series use actual trade prices for securities with local stock exchange quotations. WM/Refinitiv Closing Spot Rates™, collected at 16:00 UK time are used in the index calculation.

9.2 Calculation frequency

9.2.1 The Index Series are published every minute during the official index period, using last trade prices.

9.3 Algorithm

9.3.1 For details on the algorithm and calculation methods used, please refer to the FTSE Global Equity Index Series see the FTSE Global Equity Index Series Guide to Calculation Methods, which can be accessed using the following link:

[FTSE Global Equity Index Series Guide to Calc.pdf](#)

Appendix A

Further information

A Glossary of Terms used in FTSE Russell's Ground Rule documents can be found using the following link:

[Glossary.pdf](#)

[Glossary - ESG.pdf](#)

The FTSE Russell ESG Metrics website can be found using the following link: [ESG Metrics](#)

For further information on the FTSE All-World ex Coal Reserves Index Ground Rules, visit <https://www.lseg.com/en/ftse-russell> or e-mail info@ftserussell.com. Contact details can also be found on this website.

Website: www.lseg.com/en/ftse-russell/

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