

# Review of the Minimum set of Exclusions in FTSE Sustainable Indices

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**FTSE  
RUSSELL**

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## Introduction

In 2022, FTSE Russell [consulted](#) the market on whether to apply a minimum set of exclusions to standard FTSE Sustainable indices that can apply across sustainable index methodologies, to reflect client preferences and encourage consistency.

Following market feedback, minimum exclusions specific to tobacco production, thermal coal extraction, controversial weapons production and controversial conduct (details on page 3) were [applied](#) in 2023/4 for standard FTSE Sustainable indices. These exclusions are a minimum starting point that reflect a broad market consensus. Where clients require additional exclusions, these can be added to specific indices.

FTSE Russell is requesting market feedback on the minimum exclusions as part of a regular review. Client feedback so far has indicated that changes are not currently needed. Index users are invited to review the minimum exclusions and provide feedback on whether these continue to reflect their preferences.

### Responding to the consultation

The questions posed as part of this consultation are intended to gather feedback from market participants. It is not guaranteed that changes will be made to the current minimum exclusions or indices that apply these exclusions.

The consultation results will be reviewed by the FTSE Russell Index Governance Board in accordance with the [FTSE Russell Policy for Benchmark Methodology Changes: Ground Rules \(lseg.com\)](#).

Any changes will be communicated via an announcement, which will be available on the FTSE Russell public website.

Please submit your response to the questions included in this consultation online at <https://www.surveymonkey.com/r/9WCVDTF>

All responses will be treated as confidential. FTSE Russell may publish a summary of the consultation feedback, but no individual responses will be published and no respondents will be named.

If you have any questions about this survey, or if you encounter any technical issues, please contact [committeesecretary@ftserussell.com](mailto:committeesecretary@ftserussell.com).

## Context and review

The minimum exclusions<sup>1</sup> in standard FTSE Sustainable indices (equity and corporate fixed income) are set out in the table below:

**Table 1. Minimum Exclusions – Categories, Definitions & Thresholds**

Exclusion category	Definition	Threshold
Tobacco Production	Companies engaged in the production of tobacco and/or tobacco products	Greater than 0% of revenues
Thermal Coal Extraction	Companies that extract thermal coal	Greater than or equal to 50% of revenues
Controversial Weapons Production	Companies that produce anti-personnel landmines, cluster munitions, and/or biological and chemical weapons	Greater than 0% of revenues
Controversial Conduct	Violations of global norms including the United Nations Global Compact Principles  The principles are classified into four categories: Human Rights, Labour, Environment, and Anti-corruption	All companies deemed non-compliant

The minimum exclusions take note of (1) activities routinely excluded from sustainable investment portfolios and indices, and (2) exclusions stipulated in the EU and UK Benchmark Regulation (BMR). Client feedback to date indicates that the current minimum exclusions remain relevant and fit for the purpose they were intended.

For example, in 2025, the European Commission [published](#) a targeted proposed amendment to the EU BMR, for benchmark administrators to use the following definition of controversial weapons: ‘anti-personnel mines, cluster munitions, biological and chemical weapons’. The current minimum exclusions definition is aligned with this.

These exclusions represent a minimum level, and some FTSE Sustainable indices go beyond these where required by index design or client needs.

Sustainable fund label regulation applies to funds and not benchmark administrators, and FTSE Russell does not present this set of exclusions as related to sustainable fund labels. FTSE Russell separately [consulted](#) on a minimum PAB aligned exclusion list in 2024.

The objective for reviewing the minimum exclusions is to validate that these remain in line with client preferences and market standards, thereby continuing to satisfy index user requirements.

For information on the current impact of these minimum exclusions, please contact [info@ftserussell.com](mailto:info@ftserussell.com).

<sup>1</sup> ‘Exclusions’ are defined in this consultation as business activities that lead to a company being removed from an index. ‘Exclusions’ and ‘screening’ are terms that are often used interchangeably



## Questions

1. Do the current minimum exclusion definitions, scope and involvement thresholds continue to meet your preferences for standard FTSE Sustainable indices?

☐ Yes

☐ No

Comments:

2. If not, please provide details of specific changes to activities, definitions, thresholds, and/or scope you would request FTSE Russell to consider for minimum exclusions and the rationale.

Comments:

Please contact your local client services team on [info@ftserussell.com](mailto:info@ftserussell.com) or your account manager if you have any questions or would like to schedule a call to discuss this topic in greater detail.

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For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

### CONTACT US

To learn more, visit [lseg.com/ftse-russell](https://www.ftserussell.com); email [info@ftserussell.com](mailto:info@ftserussell.com); or call your regional Client Service team office:

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