

FTSE ADX ESG Screened Index



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FTSE ADX ESG Screened Index

1. About the FTSE Russell and ADX Index Partnership

1.1 What is the FTSE Russell and ADX index partnership?

FTSE Russell signed an index partnership with the Abu Dhabi Securities Exchange (ADX) to become its benchmark administrator for domestic equity indices in Abu Dhabi in 2021.

The aim of the partnership is to create a comprehensive world-class suite of complementary indices that meet the needs of both retail and institutional investors, locally and globally. The indices are designed to provide market participants with a robust set of accurate and transparent performance benchmarks and analytical tools, and a foundation for next generation index linked investment vehicles, including Exchange Traded Funds (ETFs), derivatives, and OTC products.

2. About the FTSE ADX ESG Screened Index

2.1 What is the FTSE ADX ESG Screened Index?

The FTSE ADX ESG Screened Index is based on the FTSE ADX General Index and selects securities based on a combination of median daily trading value and ESG screening.

2.2 Which companies are eligible for the FTSE ADX ESG Screened Index?

Companies included in the FTSE ADX General Index are eligible for inclusion in the FTSE ADX ESG Screened Index.

The full inclusion methodology for the FTSE ADX ESG Screened Index can be found within the FTSE ADX Index Series Ground Rules at the following link:

[FTSE ADX Index Series: Ground Rules \(Iseg.com\)](https://www.ftserussell.com/indices/ftse-adx-index-series-ground-rules)

2.3 What are the screening criteria of the FTSE ADX ESG Screened Index?

Each company in the FTSE ADX General Index universe is assigned an overall ESG (Environmental, Social, and Governance) score ranging from 0 to 100, with 100 being the highest score.

Companies that do not have an ESG score are excluded from the FTSE ADX ESG Screened Index.

Companies with an ESG score equal to, or greater than, the average ESG score for the Gulf Cooperation Council (GCC) region are eligible for inclusion in the FTSE ADX ESG Screened Index.

At time of index launch, based on September 2023 ESG data, the average ESG score for the GCC region was 35.

The full inclusion methodology can be found within the FTSE ADX Index Series Ground Rules at the following link:

[FTSE ADX Index Series: Ground Rules \(Iseg.com\)](https://www.ftserussell.com/indices/ftse-adx-index-series-ground-rules)

2.4 Which ESG Scores are used as the basis for the FTSE ADX ESG Screened Index?

ESG scores, sourced from LSEG Data & Analytics, are designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes (emissions, environmental product innovation, human rights, shareholders, etc.) based on publicly-reported data.

Further details of the LSEG ESG framework can be found here: [ESG Scores | LSEG](#)

2.5 Will the inclusion/deletion threshold for the FTSE ADX ESG Screened Index ever change?

The index aims to reflect the constantly evolving corporate ESG practices within the GCC region and expectations of investors and the wider stakeholder community. Therefore, both the inclusion and deletion thresholds may change over time. This will be governed by the Ground Rules of the index.

2.6 How often is the FTSE ADX ESG Screened Index reviewed?

The FTSE ADX ESG Screened Index is reviewed annually in September using the constituents of the FTSE ADX General Index that are listed on the Main Market of the Abu Dhabi Stock Exchange on the implementation date, and security prices on the market data date (see Ground Rules 6.1.1 and 6.1.2).

2.7 When is the index calculated?

The FTSE ADX ESG Screened Index is calculated in line with the existing FTSE ADX Index Series. Monday to Friday, calculated in real-time and available within End-of-Day product files.

2.8 Where can I see the constituents of the Index?

Index information is a fee-based service and is only disclosed for our clients and subscribers. For daily index files for investment purposes, please contact FTSE Russell at info@ftserussell.com.

ABOUT FTSE RUSSELL

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Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers, and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis, and risk management, and value us for our robust governance process and operational integrity.

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

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However, back-tested data may reflect the application of the index methodology with the benefit of hindsight, and the historic calculations of an index may change from month to month based on revisions to the underlying economic data used in the calculation of the index. This document may contain forward-looking assessments. These are based upon a number of assumptions concerning future conditions that ultimately may prove to be inaccurate. Such forward-looking assessments are subject to risks and uncertainties and may be affected by various factors that may cause actual results to differ materially. No member of the LSE Group nor their licensors assume any duty to and do not undertake to update forward-looking assessments. No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of LSEG. 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