SOLUTION OVERVIEW

FTSE Blossom World Index Series

Assess corporate ESG exposure and performances



Overview

Market participants are increasingly looking to evaluate sustainable investment approaches in their investment philosophies and strategies.

The FTSE Blossom World Index Series and FTSE Blossom World Sector Relative Index Series are designed to include global companies that have chosen to actively demonstrate ESG activities. This is based on the proprietary FTSE Russell ESG Data Model, which uses a transparent methodology to assess a company's exposure and performance.

The wider FTSE Blossom Index Series provides a comprehensive, cross-asset solution and includes the FTSE Blossom Japan Index, the FTSE Blossom Japan Sector Relative Index, the FTSE Blossom World Index Series, and the FTSE Blossom Fixed Income Index Series¹. These indices provide market participants with benchmark solutions that incorporate ESG considerations without deviating significantly from the design and performance of the traditional market capitalisation-weighted benchmark.

Benefits

- The FTSE Blossom Japan index has a long track record, since 2017 GPIF has used the index to allocate capital
- Facilitates ESG integration into the global market enables better corporate sustainability performance and practices, measured by FTSE ESG scores
- Applies ICB industry or sector-neutral weighting approach minimises industry or sector bias by applying industry or sector neutrality to match the weights of each regions equity markets, reducing tracking error, relative to the benchmark
- Improves company engagement provides an established transparent reference in the capital markets to facilitate company disclosure and enable company engagement
- Supports client demand for climate transition to a low carbon economy

 in addition, the Sector Relative index allows investors to exclude high carbon intensity companies, while considering the quality of companies' management of climate risks and opportunities via the Transition Pathway Initiative's (TPI) Management Quality Score, by allowing for the removal of companies with poor corporate sustainability practices while maintaining index diversification across large and mid-cap companies
- The indices can be used as performance benchmarks or as the basis for index-linked products including index-tracking funds, derivatives and Exchange Traded Funds (ETFs)

Features

Based on FTSE Russell's ESG Scores

FTSE Russell assesses a wide universe of companies on their ESG performance which is applied to the index via a baseline exclusion as a minimum standard. FTSE Russell's ESG Scores is a transparent measurement of how companies are performing with respect to their ESG practices. The Score is based on an annual assessment of companies' own published disclosures.

Materiality

Identifying investment-relevant ESG Themes for a given company, based on the business characteristics such as the geographies and subsectors in which it operates.

International standards

FTSE ESG data model considers international standards, such as the Task Force on Climate-Related Financial Disclosures and the Corporate Human Rights Benchmark.

Evolving criteria

Periodic review of ESG evaluation criteria based on corporate behaviour, investor needs and stakeholder interest.

Independence

Governance structure based on an independent committee whose members are independent experts drawn from asset managers, asset owners, consultants and other stakeholders.

Transparency

Transparent process based on publicly available information.

Corporate engagement

Detailed corporate communication and engagement program that has improved corporate practices globally².

- Full list of indices in the FTSE Blossom Index Series can be found on page 2
- 2 Source: Mackenzie et al (2012), University of Edinburgh; Slager, Catharina Henrike (2012), University of Nottingham

Index construction process

Index construction process: from parent to blossom indexes

FTSE Blossom World Index

	FTSE Blossom World Index Series	FTSE Blossom World Sector Relative Index Series
Underlying index	FTSE EU, FTSE APAC ex Japan, Russell 1000 Index	
Exclusion	Apply minimum set of exclusions	
Stock Select	FTSE ESG Scores ≥3.3 (2.9 for EME) and may exclude ESG Scores <2.9* (2.4 for EME)	Top 50% in each ICB sector and FTSE ESG Scores ≥2.0
	Applicable high exposure theme score >=2.0 (>=1 for EME)* Climate Change score of 3 required for primary impact sector, 2 (1 for EME) required in secondary impact sector*	TPI MQ score >=3.0 required for top 10% GHG emitters of the underlying universe
Industry/Sector Neutrality	Each ICB Industry weight is equal to that of each underlying index	Each ICB Industry weight is equal to that of each underlying index
* If lower scores, it will be at risk of deletion from the index	FTSE Blossom Europe Index, FTSE Blossom Asia Pacific ex Japan Index, Russell 1000 Blossom Index, FTSE Blossom World Composite Index	FTSE Blossom Europe Sector Relative Index, FTSE Blossom Asia Pacific ex Japan Sector Relative Index, Russell 1000 Blossom Sector Relative Index, FTSE Blossom World Composite Sector Relative Index

Index methodology

FTSE Blossom World Index	FTSE Blossom World Sector Relative Index
Industry-neutral approach to minimise industry bias by matching weight with those of the underlying index	Sector-neutral approach to minimize sector bias by matching weights with those of the underlying index
Selects developed market companies with ESG score of 3.3 (2.9 for EME) or above, and emerging market	Selects companies in the top 50% of each industry sector and with ESG Score of 2.0 or above
companies with ESG score of 2.9 (2.4 for EME) or above	Supports climate transition to a low carbon economy by evaluating companies' climate governance and climate change efforts with the TPI Management Quality Score

FTSE Blossom Index Series

Discover the full FTSE Blossom Index Series

- FTSE Blossom World Composite Index
- FTSE Blossom world Composite Sector Relative Index
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- FTSE Blossom Asia Pacific ex Japan Index
- FTSE Blossom Asia Pacific ex Japan Sector Relative Index
- FTSE Blossom Europe Index
- FTSE Blossom Europe Sector Relative Index
- Russell 1000 Blossom Index
- Russell 1000 Blossom Sector Relative Index
- FTSE Blossom Japan Fixed Income Index

FTSE Russell 2

About FTSF Russell

FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner we help investors make better-informed investment decisions, manage risk, and seize opportunities.

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

To learn more, visit learn more, visit learn-more, visit <a h

EMEA +44 (0) 20 7866 1810

North America +1 877 503 6437

Asia-Pacific Hong Kong +852 2164 3333

Tokyo +81 (3) 6441 1430

Sydney +61 (0)2 7228 5659

Disclaimer

© 2025 London Stock Exchange Group plc and its applicable group undertakings ("LSEG"). LSEG includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada"), (4) FTSE Fixed Income Europe Limited ("FTSE FI Europe"), (5) FTSE Fixed Income LLC ("FTSE FI"), (6) FTSE (Beijing) Consulting Limited ("WOFE") (7) Refinitiv Benchmark Services (UK) Limited ("RBSL"), (8) Refinitiv Limited ("RL") and (9) Beyond Ratings S.A.S. ("BR"). All rights reserved.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, WOFE, RBSL, RL, and BR. "FTSE®", "Russell®", "FTSE Russell®", "FTSE4Good®", "ICB®", "Refinitiv", "Beyond Ratings®", "WMR™", "FR™" and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of LSEG or their respective licensors and are owned, or used under licence, by FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, WOFE, RBSL, RL or BR. FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator. Refinitiv Benchmark Services (UK) Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

All information is provided for information purposes only. All information and data contained in this publication is obtained by LSEG, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical inaccuracy as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of LSEG nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or LSEG Products, or of results to be obtained from the use of LSEG products, including but not limited to indices, rates, data and analytics, or the fitness or suitability of the LSEG products for any particular purpose to which they might be put. The user of the information assumes the entire risk of any use it may make or permit to be made of the information.

No responsibility or liability can be accepted by any member of LSEG nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any inaccuracy (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analysing, editing, transcribing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of LSEG is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information.

No member of LSEG nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of LSEG nor their respective directors, officers, employees, partners or licensors make any representation regarding the advisability of investing in any asset or whether such investment creates any legal or compliance risks for the investor. A decision to invest in any such asset should not be made in reliance on any information herein. Indices and rates cannot be invested in directly. Inclusion of an asset in an index or rate is not a recommendation to buy, sell or hold that asset nor confirmation that any particular investor may lawfully buy, sell or hold the asset or an index or rate containing the asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

Past performance is no guarantee of future results. Charts and graphs are provided for illustrative purposes only. Index and/or rate returns shown may not represent the results of the actual trading of investable assets. Certain returns shown may reflect back-tested performance. All performance presented prior to the index or rate inception date is back-tested performance. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index or rate was officially launched. However, back-tested data may reflect the application of the index or rate methodology with the benefit of hindsight, and the historic calculations of an index or rate may change from month to month based on revisions to the underlying economic data used in the calculation of the index or rate.

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 LSEG 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. Use and distribution of LSEG data requires a licence from LSEG and/or its licensors.

