

SOLUTION OVERVIEW

The time for mainstream investing



Sustainable investing: no longer an investment ‘trend’

Investors are looking to make informed decisions about how they incorporate sustainability into their future investment strategies.

Sustainable investment strategies are increasingly seen as part of mainstream investing with 80% of asset owners implementing sustainable investment strategies and 53% currently implementing or evaluating sustainability considerations into investment strategies.

Sustainable investment has become mainstream, and we are committed to providing sustainable solutions for a changing world.

Overcoming challenges and identifying opportunities

Investors are seeking the opportunities associated with sustainable investing and are looking for new ways to meet regulatory guidelines/changes, as well as considering the risk and returns for such portfolio allocation choices.

Investment mandates

Asset owners and managers are increasingly looking to incorporate sustainable investing strategies into their portfolios as the impact of environmental, social, and corporate governance risks and opportunities become more apparent. Institutional investors must meet diverse investor objectives and themes - ethical, impact, ESG, and climate - and often overlay sustainability factors on existing portfolios. Asset owners are looking for sustainable investment factors to be integrated into strategies while maintaining performance, and traditional investment managers themselves are increasingly promoting their sustainable investment credentials as the demand for responsible investing continues.

Regulatory

Mainstream investors are increasingly setting international objectives, such as aligning with the UN's Sustainable Development Goals (SDGs). The ever-changing disclosure regulatory environment across countries and regions is adding to the pressure on asset managers. Sustainable investing must align with broader regulatory objectives, such as the EU's Sustainable Finance Disclosures Regulation (SFDR), EU Climate Benchmark criteria, green taxonomy, and the Task Force on Climate-related Disclosures (TCFD) report.

Assets under management

Sustainable investing consideration and performance is now mainstream as research shows a strong correlation between the two. Sustainable investment passive AUM is growing: more than US\$260 billion in passive AUM track FTSE Russell sustainable investment indices, a 110% increase since December 2020.

* FTSE Russell Sustainable Investment Asset Owner Survey 2023



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An LSEG Business

World class indices

We define sustainable investment as investment approaches that take ESG and/or climate considerations into account, forming an umbrella term for topics that can be the source of both investment risks and opportunities. We simplify our sustainable investment index approach into two core frameworks to mirror our clients' objectives and convictions, and align their investment strategy to regulatory requirements.

FTSE Russell Sustainable Investment index framework explained through the eyes of the investor objective



FTSE Russell Climate Indices

ACCELERATE to a green economy

Build investment strategies with exposure to the green opportunities generated by climate challenges

FTSE Environmental Markets	Equity
Russell Green America	Equity
FTSE Green Impact Bond	Fixed Income

TRANSITION to a low carbon economy

Seek exposure in your investment strategy to securities that might prevail in a low carbon economy, based on past and forward looking trends

FTSE ex Fossil Fuels	Equity
FTSE EPRA Nareit Green	Equity
FTSE Global Climate	Equity
FTSE Smart Sustainability	Equity
FTSE TPI Climate Transition	Equity
FTSE Climate Risk Adjusted Gov't Bond	Fixed Income

ALIGN with regulatory objectives

Align your investment strategy with climate regulation, reporting, and policy developments

FTSE EU Climate Benchmarks incl PAB & CTB	Equity
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FTSE Russell ESG Indices

SELECT investments

Build investment strategies based on your specific exclusions/inclusions needs

FTSE Global Choice	Equity
FTSE4Good	Equity
FTSE Blossom Japan	Equity
FTSE Impact Bond	Fixed Income
FTSE Ping An China ESG	Equity

INTEGRATE ESG in investment strategy

Include ESG criteria in your investment strategy

Russell US ESG	Equity
FTSE ESG	Equity
FTSE ESG Emerging Markets	Equity
FTSE ESG Low Carbon Select	Equity
FTSE Women on Boards Leadership	Equity
FTSE ESG Gov't Bond	Fixed Income

ALIGN with regulatory objectives

Align your investment strategy with regulations and policies that have ESG/sustainable objectives

FTSE Euro Credit SDG-Aligned Bond (custom)	Fixed Income
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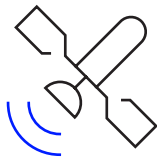
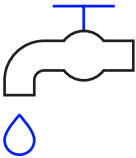
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How are we enabling and educating our clients?

- We build progressive, innovative, transparent and robust methodologies that give our clients confidence when making sustainable investment mainstream. Our best-known sustainable investment indices include the FTSE4Good, FTSE UK, and Russell US ESG Index series.
- FTSE Russell's ESG Scores and data model allows investors to understand a company's exposure to, and management of, ESG issues in multiple dimensions.
- The Green Revenues data model provides quality data to help size and monitor aggregate and individual contribution to the growing green economy. The data set covers 133 micro sectors, giving a broad view of green activity and its material impact on the bottom line for around 5,000 companies.
- Over the last 20 years, we have built a global center of sustainable investment excellence, opening up opportunities for our partners across the globe. Our team of sustainable investment research analysts are using our industry leading data to provide insights into the sustainable investment industry across multiple asset classes.

Incorporating sustainability into investment strategies requires committed momentum and conviction. Our sustainable investment teams are focused on creating innovative indices and comprehensive data sets that help you shape your sustainable investment strategies.

The future of investing is sustainable investing

FTSE Russell sustainable investment indices offer a comprehensive range of sustainable investment solutions, providing investors with a broad set of tools to measure and analyse global markets across asset classes, styles or strategies. Our suite of sustainable investment indices is designed to help investors integrate their sustainability strategies into portfolio allocation views.

Contact us for more details around how FTSE Russell can help you meet [sustainable mandates](#) and find opportunities by turning talk into action.

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About FTSE 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.

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