

Public minutes

FTSE Russell Industry Classification Advisory Committee

08 May 2024



**FTSE
RUSSELL**

An LSEG Business

Attendees

Members: eight (8); apologies: three (3)

FTSE Russell: seven (7) including the Chair and Committee Secretary

Attendees were reminded of their obligations in relation to confidentiality of information, conflicts of interest and competition law. There were no declarations.

1. Statutory governance matters and committee information

1.1 Membership changes

1.1.1 FTSE Russell thanked two outgoing committee members for their contribution to the advisory committee.

1.2 Minutes

1.2.1 The minutes of the meeting held on Thursday 04 May 2023 were approved as presented.

1.2.2 The public minutes of the meeting held on Thursday 04 May 2023 were approved as presented.

1.3 Governance

1.3.1 Updates to the advisory committee Terms of Reference (presented for endorsement): the document accompanied the agenda and included reference to third-party or any other kind of recording of committee meetings no longer being permitted. The advisory committee endorsed the updated Terms of Reference.

1.4 Action points and matters arising

1.4.1 Environmental, Social and Governance (ESG) developments: FTSE Russell to provide a brief update on ESG developments at a future meeting. See item 3.1.

1.4.2 Topics discussed at other advisory committees: see item 4.1.

1.5 Key notices

1.5.1 The methodology notices published since the last meeting were included in the meeting materials. There were no requests for clarification.

2. Challenges

2.1 Challenges against existing classifications (presented for information): there were none to be considered.

3. ESG Developments

3.1 Update on recent ESG Developments (presented for information): the report was included in the meeting materials and was presented following a request by a committee member at the previous advisory committee meeting.

3.1.1 FTSE Russell explained that as part of the FTSE Russell advisory committee structure, the FTSE Russell Sustainable Investment Advisory Committee meets twice a year (in May and November) to discuss the evolution of indices, frameworks and data sets relevant to FTSE Russell Sustainable Investment indices. The recent topics of discussion included the following:

- ESG regulatory developments and index implications including the UK Financial Conduct Authority anti-greenwashing rules (effective from 31 May 2024 for all firms), Sustainability Disclosure Regime, and ESMA fund name rules (which are applicable for UK and EU funds).
- Evolution of scope 3 emissions data sets to include financial services firms.
- Approach to controversial conduct data sets.
- Design features of the EU Climate and net zero benchmarks.
- Sovereign environmental scores enhancement to the Sovereign Risk Model.

-
- 3.1.2 Hyperlinks to recent research papers were included in the report, in addition to examples of how ICB sectors were used in the FTSE Sustainable Investment indices.
- 3.1.3 A discussion took place on how ICB was used for index screening purposes.
- 4. AOB**
- 4.1 Public minutes: a weblink to the public minutes webpage was included in the agenda which provided information on topics discussed at other advisory committee meeting; see hyperlink: [Public Minutes | LSEG](#). There were comments.
- 5. Meeting dates**
- 5.1 2024: Tuesday 22 October

Disclaimer

© 2024 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®", "WMR™", "FR™", "Beyond Ratings®" and all other trademarks and service marks used herein (whether registered or unregistered) are trade marks 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. Every effort is made to ensure that all information given in this publication is accurate, but no responsibility or liability can be accepted by any member of LSEG nor their respective directors, officers, employees, partners or licensors for any inaccuracies or for any loss from use of this publication or any of the information or data contained herein.

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 a 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.

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 index or rate data and the use of their data to create financial products require a licence from FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, WOFE, RBSL, RL, BR and/or their respective licensors.



**FTSE
RUSSELL**
An LSEG Business