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# FTSE Russell Sustainable Investment Strategic Advisory Committee

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## 1.0 Constitution

- 1.1 The FTSE Russell Sustainable Investment Strategic Advisory Committee (the Committee) has been established to provide strategic advice to FTSE Russell on the construction, maintenance, and evolution of all of its sustainable investment index families.

## 2.0 Purpose

- 2.1 The purpose of the Committee is to provide a forum to interact with market practitioners and relevant experts with a view to enhancing the underlying methodologies for the FTSE Russell sustainable investment index families, for final approval by the FTSE Russell Index Governance Board. The committee will be cross-asset class in focus.

## 3.0 Responsibilities

- 3.1 The responsibilities of the Committee are to:
- Assist with the development of FTSE Russell's sustainable investment agenda, help to address gaps in current capabilities and product offering, and provide insight which allows FTSE Russell to identify new opportunities across the sustainable investment spectrum.
  - Share analysis of the practical application and implementation of sustainable investment regulation and the impact of nascent or emergent sustainable investment standards.
  - Comment on the governance, transparency, and integrity of the indices, as well as scoring and data products.
  - Discuss substantive changes to the methodologies underlying the sustainable investment index families and classifications systems, and advise and comment on challenges to classifications or assessments when requested by FTSE Russell.
- 3.2 The Committee will not be required to discuss material that might be deemed to be price sensitive. Such material includes the potential treatment of specific forthcoming corporate events (as distinct from rules intended to cover classes of corporate events).

## **4.0 Members**

- 4.1 Appointment to the Committee is by invitation and extended on a personal level to individual market practitioners and other stakeholder representatives. Members may include those from asset managers, asset owners, investment consultant, investment banks, specialist research firms, academics and non-governmental or supra-national organisations. It is expected that a majority of the members will be from the investment community.
- 4.2 Committee membership is predicated by an understanding and experience of FTSE Russell's sustainable investment indices; membership of the committee may be rescinded if the individual ceases to be involved in the usage and tracking of said indices.
- 4.3 The members of the Committee are appointed by FTSE Russell. They will retain membership for a period of three years with the possibility of re-appointment for subsequent terms, as determined by FTSE Russell.
- 4.4 Committee members may discuss topics raised at the meetings of the Committee with colleagues in their own organisation to source such expertise as is relevant to the issues for which members' views are sought as committee members. In having such discussions, committee members should be aware of their confidentiality and conflicts of interest obligations, as well as the purpose and responsibility of the Committee and their role in it.
- 4.5 If a committee member cannot attend a meeting, the committee member will make every effort to nominate a deputy to attend in their stead. Committee members understand that admission of a proxy nominee to a committee meeting will only be permitted if the proxy in question has agreed to FTSE Russell's Terms of Proxied Attendance, available from the Committee Secretary.
- 4.6 FTSE Russell will not disclose names of committee members and the members of the Committee shall not disclose names of other members to a third party.
- 4.7 The prospective members of the Committee will be provided with a letter of invitation and the Terms of Reference for the Committee and will be required to sign a copy of the letter of invitation confirming their acceptance of its terms.

## **5.0 The Secretary**

- 5.1 A Secretary is appointed to support the work of the Committee. The Committee Secretary will be responsible for preparing agendas and papers for Committee meetings, maintaining a record of members' attendance, recording and taking the minutes. The Secretary is responsible for following up action points between meetings.

## **6.0 Meetings**

- 6.1 The Committee will be chaired by a senior member of the FTSE Russell Index Policy team.
- 6.2 The Committee will meet to conduct business in accordance with its responsibilities set out in paragraph 3.
- 6.3 The quorum for all meetings of the Committee is three members. The Chair and the Committee Secretary or a deputy must also be in attendance.
- 6.4 An extraordinary meeting of the Committee may be convened at the request of FTSE Russell, the Committee or the FTSE Russell Index Governance Board when deemed necessary.
- 6.5 Declarations of any known actual or potential conflict of interest with respect to any agenda item can be made at any time before or during the meeting, which will be followed by the appropriate recusal.
- 6.6 The minutes of the meeting are to be approved by the members of the Committee.

*The Terms of Reference for this Committee shall be reviewed annually by the FTSE Russell Index Governance Board.*

**For more information about our indices, please visit [ftserussell.com](https://ftserussell.com).**

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FTSE Russell is a leading global index provider creating and managing a wide range of indices, data and analytic solutions to meet client needs across asset classes, style and strategies. Covering 98% of the investable market, FTSE Russell indices offer a true picture of global markets, combined with the specialist knowledge gained from developing local benchmarks around the world.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indices to benchmark their investment performance and create investment funds, ETFs, structured products and index-based derivatives. FTSE Russell indices also provide clients with tools for asset allocation, investment strategy analysis and risk management.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on index innovation and customer partnership applying the highest industry standards and embracing the IOSCO Principles. FTSE Russell is wholly owned by London Stock Exchange Group.

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