



FTSE Asia Pacific Low Carbon Select Index

v1.2



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Section 1

Introduction

1.0 Introduction

- 1.1 This document sets out the Ground Rules for the construction and management of the FTSE Asia Pacific Low Carbon Select Index.
- 1.2 The FTSE Asia Pacific Low Carbon Select Index is designed to reflect the performance of indices incorporating low carbon considerations. Please see further details in Section 4 and 5.
- 1.3 The FTSE Asia Pacific Low Carbon Select Index takes account of ESG factors in its index design. Please see further details in Section 4 and 5.
- 1.4 These Ground Rules should be read in conjunction with the FTSE Global Equity Index Series Ground Rules, FTSE Global Factor Index Series Ground Rules and the Corporate Actions and Events Guide for Non Market Capitalisation Weighted Indices which are available using the following links:
[FTSE Global Equity Index Series.pdf \(ftserussell.com\)](#)
[FTSE Global Factor Index Series Ground Rules.pdf \(ftserussell.com\)](#)
[Corporate Actions and Events Guide for Non Market Cap Weighted Indices.pdf](#)
- 1.5 Price and Total Return Indices will be calculated on an end of day basis.
- 1.6 The base currency of the index is US Dollars (USD) and may also be published in other currencies.
- 1.7 **FTSE Russell**
FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc. and FTSE Fixed Income Europe Limited), FTSE Fixed Income LLC, The Yield Book Inc and Beyond Ratings.
- 1.8 FTSE Russell hereby notifies users of the index series that it is possible that circumstances, including external events beyond the control of FTSE Russell, may necessitate changes to, or the cessation of, the index series and therefore, any financial contracts or other financial instruments that reference the index series or investment funds which use the benchmark to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index series.
- 1.9 Index users who choose to follow this index series or to buy products that claim to follow this index should assess the merits of the index series' rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell for any losses, damages, claims and expenses suffered by any person as a result of:

- any reliance on these Ground Rules, and/or
- any inaccuracies in these Ground Rules, and/or
- any non-application or misapplication of the policies or procedures described in these Ground Rules, and/or
- any inaccuracies in the compilation of the index series or any constituent data.

Section 2

Management Responsibilities

2.0 Management Responsibilities

2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series.¹

2.1.2 FTSE is responsible for the daily calculation, production and operation of the index and will:

- maintain records of the index weightings of all constituents;
- make changes to the constituents and their weightings in accordance with the Ground Rules;
- carry out the periodic reviews of the index series and apply the changes resulting from the reviews as required by the Ground Rules;
- publish changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews;
- disseminate the index series.

2.1.3 These Ground Rules set out the methodology and provide information about the publication of the FTSE Asia Pacific Low Carbon Select Index.

2.2 Amendments to these Ground Rules

2.2.1 These Ground Rules shall be subject to regular review (at least once a year) by FTSE Russell to ensure that they continue to best reflect the aims of the index series. Any proposals for significant amendments to these Ground Rules will be subject to consultation with FTSE Russell advisory committees and other stakeholders if appropriate. The feedback from these consultations will be considered by the FTSE Russell Index Governance Board before approval is granted.

¹ The term administrator is used in this document in the same sense as it is defined in [Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds](#) (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation).

- 2.2.3 As provided for in the Statement of Principles for FTSE Russell Equity Indices, where FTSE Russell determines that the Ground Rules are silent or do not specifically and unambiguously apply to the subject matter of any decision, any decision shall be based as far as practical on the Statement of Principles. After making any such determination, FTSE Russell shall advise the market of its decision at the earliest opportunity. Any such treatment will not be considered as an exception or change to the Ground Rules, or to set a precedent for future action, but FTSE Russell will consider whether the Ground Rules should subsequently be updated to provide greater clarity.

Section 3

FTSE Russell Index Policies

3.0 FTSE Russell Index Policies

These Ground Rules should be read in conjunction with the following policy documents which can be accessed using the links below:

3.1 Corporate Actions and Events Guide

- 3.2 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide for Non Market Capitalisation Weighted Indices using the following link:

[Corporate Actions and Events Guide for Non Market Cap Weighted Indices.pdf](#)

3.3 Statement of Principles for FTSE Russell Equity Indices (the Statement of Principles)

Indices need to keep abreast of changing markets and the Ground Rules cannot anticipate every eventuality. Where the Ground Rules do not fully cover a specific event or development, FTSE Russell will determine the appropriate treatment by reference to the Statement of Principles which summarises the ethos underlying FTSE Russell's approach to index construction. The Statement of Principles is reviewed annually and any changes proposed by FTSE Russell are presented to the FTSE Russell Policy Advisory Board for discussion before approval by FTSE Russell's Index Governance Board.

The Statement of Principles can be accessed using the following link:

[Statement of Principles.pdf](#)

3.4 Queries and Complaints

- 3.4.1 FTSE Russell's complaints procedure can be accessed using the following link:

[Benchmark Determination Complaints Handling Policy.pdf](#)

3.5 Index Policy for Trading Halts and Market Closures

- 3.5.1 Guidance for the treatment of index changes in the event of trading halts or market closures can be found using the following link:

[Index Policy for Trading Halts and Market Closures.pdf](#)

3.6 **Index Policy in the Event Clients are Unable to Trade a Market or a Security**

3.6.1 Details of FTSE Russell's treatment can be accessed using the following link:

[Index Policy in the Event Clients are Unable to Trade a Market or a Security.pdf](#)

3.7 **Recalculation Policy and Guidelines**

3.7.1 Where an inaccuracy is identified, FTSE Russell will follow the steps set out in the FTSE Russell Index Recalculation Guidelines when determining whether an index or index series should be recalculated and/or associated data products reissued. Users of the FTSE Asia Pacific Low Carbon Select Index will be notified through appropriate media.

For further information refer to the FTSE Russell Recalculation Policy and Guidelines document which is available from the FTSE Russell website using the link below or by contacting info@ftserussell.com.

[Recalculation Policy and Guidelines Equity Indices.pdf](#)

3.8 **Policy for Benchmark Methodology Changes**

3.8.1 Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

[Policy for Benchmark Methodology Changes.pdf](#)

3.1 **FTSE Russell Governance Framework**

3.1.1 To oversee its indices, FTSE Russell employs a governance framework that encompasses product, service and technology governance. The framework incorporates the London Stock Exchange Group's three lines of defence risk management framework and is designed to meet the requirements of the IOSCO Principles for Financial Benchmarks², the European benchmark regulation³ and the UK benchmark regulation⁴. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

² IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds

⁴ The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019

Section 4

Sustainable Investment Data Inputs

4.0 SI Data Inputs

The following Sustainable Investment datasets are used in the construction of the FTSE Asia Pacific Low Carbon Select Index

4.1 SI Data Inputs

- 4.1.1 Further information on SI data provided by FTSE Russell and third parties used in this index series can be found in the following guide:

[Guide to FTSE and Third Party Sustainable Investment Data used in FTSE Russell Indices](#)

4.2 Operational Carbon Emission and Fossil Fuel Reserves

- 4.2.1 Further details on FTSE Russell Carbon Emissions and Carbon Reserves data, including data sources and quality measures, can be found in the following guide

[Guide to FTSE and Third Party Sustainable Investment Data used in FTSE Russell Indices](#)

4.3 Product involvement exclusions and conduct-related exclusions

- 4.3.1 Product and activity involvement data are collected from publicly available information by FTSE Russell analysts. Where data is not obtained by FTSE Russell analysts, external sources are used to supplement the data, including from Sustainalytics.

4.3.2 Sustainable Investment Metrics

- 4.3.3 Please see the FTSE Russell [Sustainable Investment Metrics](#) website for the scores and values of the environmental, social and governance (ESG) factors listed in Annex II to Delegated Regulation (EU) 2020/1816 which are taken into account in the benchmark methodology for the benchmarks within this index series.

Section 5

Carbon Data Definitions and Approach

5.0 Operational Carbon Emissions and Fossil Fuel Reserves – Definitions and Approach

5.1 Operational Carbon Emissions Intensity (OE)

Operational Carbon Emissions Intensity is defined as the latest annual CO2 equivalent greenhouse gas (GHG) emissions in metric tons scaled by annual sales (in USD). CO2 equivalent GHG emissions data is defined as GHG Protocol Scope 1 and 2 emissions. Annual sales data is sourced from third party data providers. The data cut-off date for the availability of Operational Carbon Emissions Intensity is the close of business on the last business day of the month prior to the review month.

5.2 Fossil Fuel Reserve Intensity (R)

Fossil Fuel Reserve Intensity is defined as the estimated CO2 equivalent GHG emissions in metric tons generated by the combustion of a company's fossil fuel reserves, divided by its full company market capitalisation (in USD). The data cut-off date for the availability of Fossil Fuel Reserve Intensity is the close of business on the last business day of the month prior to the review month.

5.3 Z-Scores and Missing Data Treatment

5.3.1 Individual stock quantities are normalised cross-sectionally to create Z-Scores within each eligible universe according to:

$$Z_{F,i} = \frac{F_i - \mu_F}{\sigma_F} \quad \text{where} \quad F \in \{OE, \text{Log}(R)\} \quad (1)$$

where F_i is the F -quantity of the i^{th} stock and μ_F and σ_F are its cross-sectional factor mean and standard deviation respectively.

Z-Scores that are greater (less) than three (minus three) are truncated to a value of three (minus three). Post-truncation, individual Z-Scores are renormalized by the re-application of equation (1).

All Z-Scores, including truncated ones are included in this re-application. This process is repeated until all Z-Scores lie in a range between plus and minus three. Missing data is excluded from this process.

- 5.3.2 Missing Operational Carbon Emissions Intensities are assigned a Z-Score of 0 at the end of the process described in Rule 5.3.1.
- 5.3.3 Companies with missing fossil fuel reserve data are identified and treated on a peer group basis:
- Companies in the ICB sub-sector Coal (60101040) which do not have reserve data available are assigned the average Z-score of companies in the Coal sub-sector. If there are no companies in the Coal sub-sector with reserve data, the Z-score of 0 is assigned.
 - Companies in the following ICB sub-sectors which do not have reserve data available are assigned the average Z-score of all companies in this group of sub-sectors. If there are no companies in this group of sub-sectors with reserve data, a Z-score of 0 is assigned.
 - Integrated Oil and Gas (60101000)
 - Oil: Crude Producers (60101010)
 - Offshore Drilling and Other Services (60101015)
 - Oil Refining and Marketing (60101020)
 - Oil Equipment and Services (60101030)
 - Pipelines (60101035)
 - If there are no companies outside of the specified ICB sub-sectors with reserve data, a Z-score of 0 is assigned.



Section 6

Eligible Securities

6.0 Eligible Securities

- 6.1.1 The eligible securities for the FTSE Asia Pacific Low Carbon Select Index are the constituents of FTSE Asia Pacific Index.
- 6.1.2 Securities that are members of the applicable exclusion list (see Appendix A) are not eligible for membership of the FTSE Asia Pacific Low Carbon Select index.

6.2 Multiple Lines

All lines of the same company that are eligible securities are eligible for inclusion in the index.

Section 7

Periodic Review of Constituent Companies

7.0 Periodic Review of Constituent Companies

7.1 Review Dates

- 7.1.1 The FTSE Asia Pacific Low Carbon Select Index is reviewed annually in September.
- 7.1.2 Index reviews will use carbon data as of the last business day of the month prior to the review month (the data cut-off date).
- 7.1.3 Index reviews will use stock prices available as at the close of business on the Wednesday before the first Friday of the review month (price cut-off date).
- 7.1.4 The review will be implemented after the close of business on the third Friday of the review month.
- 7.1.5 Index reviews will incorporate constituent changes associated with reviews of the underlying eligible universe as of the review effective date. Any changes to the status of “Excluded Companies” as defined in Appendix A are applied using data as at the close of business on the Monday four weeks prior to review date.
- 7.1.6 The treatment of companies which have yet to be researched is set out in the Guide to the Construction and Maintenance of FTSE Exclusion Lists which can be accessed using the following link:

[Guide to the Construction and Maintenance of FTSE Exclusion Lists.pdf](#)

Section 8

Weighting Methodology

8.0 Weighting Methodology

8.1 Index Weights

8.1.1 Constituent weightings in the FTSE Asia Pacific Low Carbon Select Index is based on two aspects of climate change.

8.1.2 The climate change adjustments are:

- Fossil Fuel Reserves adjustment
- Operational Carbon Emissions: Low Operational Carbon Emissions and Low Operational Carbon Emissions sector adjustment

8.1.3 The unconstrained review weight of each constituent in the FTSE Asia Pacific Low Carbon Select Index is:

$$w_i = \frac{v_i}{\sum_j v_j}$$

where $v_i = w'_i \times A_i^{FF} \times A_i^{CE} \times A_i^{CS}$

where

- w'_i is the market capitalisation weight of stock i in the underlying eligible universe.
- A_i^{FF} is the Fossil Fuel Reserves adjustment for stock i (Rule 8.2).
- A_i^{CE} and A_i^{CS} are the Low Operational Carbon Emissions adjustment and the Low Operational Carbon Emissions sector adjustment respectively of stock i (Rule 8.3).

8.2 Fossil Fuel Reserves Adjustment

8.2.1 For companies which own fossil fuel reserves, the Carbon Reserve Intensity is calculated. Carbon Reserve Intensity is defined as the natural logarithm of the estimated CO2 equivalent greenhouse gas (GHG) emissions in metric tons generated by the combustion of a company's fossil fuel reserves, divided by the full company market capitalisation (in USD). Data is from the latest published accounts at the data cut-off date. The Carbon Reserve Intensity measure is converted to a Z-Score and subsequently to an S-Score as detailed in FTSE Global Factor Index Series Ground

Rules. The S-Score is the Fossil Fuel Reserve adjustment: A_i^{FF} . Companies which do not own fossil fuel reserves are awarded a score of 1: $A_i^{FF} = 1$.

- 8.2.2 Companies with missing fossil fuel reserve data are identified and treated on a peer group basis, full details can be found in Rule 5.3.3

8.3 Operational Carbon Emissions Adjustment

- 8.3.1 Operational Carbon Emissions are defined as the latest annual Operational Carbon Emissions of CO₂ equivalent GHG emissions in metric tons scaled by annual sales in excess of the ICB sector average. Operational Carbon Emissions data defined as GHG Protocol Scope 1 and 2 emissions and annual sales data is sourced from third party data providers.

- 8.3.2 Operational Carbon Emissions are converted to a Z-Score and subsequently to an S-Score as detailed in FTSE Global Factor Index Series Ground Rules to form the Low Operational Carbon Emissions adjustment of each stock: A_i^{CE} .

- 8.3.3 The Low Operational Carbon Emissions sector neutrality adjustment, A_i^{CS} adjusts stock weights to limit the sector effects arising from the Low Operational Carbon Emissions stock adjustment described in Rule 8.3.2. For constituent i of sector H , the adjustment is calculated as:

$$A_i^{CS} = \frac{\sum_{j \in H} w_j'}{\sum_{j \in H} A_j^{CE} \times w_j'}, \forall i \in H$$

where w_j' is the market capitalisation weight of stock j in the underlying eligible universe.

8.4 Capacity, Constraints and Minimum Stock Weights

- 8.4.1 A minimum stock weight threshold is applied to the final index. Any stock weight that is less than the minimum weight threshold is treated as having a zero weight in the index. Any resulting excess weight will be redistributed amongst the remaining constituents proportional to their index weights. The minimum stock weight is 10bps for FTSE Asia Pacific Low Carbon Select Index.

8.5 Country and Industry Exposure Constraints

- 8.5.1 The maximum active country and industry exposure constraints are defined by the parameters P and Q are applied to the index as detailed in the FTSE Global Factor Index Series Ground Rules which can be accessed using the following link:

[FTSE Global Factor Index Series Ground Rules.pdf](#)

8.6 Parameters used in the FTSE Asia Pacific Low Carbon Select Index

Index	P*	Q*	Max Stock Weight (%)	Min Stock Weight (b.p.)	Max Capacity Ratio
FTSE Asia Pacific Low Carbon Select Index ⁵	0.2	0.05	10	10	5

*See Rule 8.5.1 for more details

8.7 Index Back-Histories

- 8.7.1 The annual Fossil Fuel Reserves, Operational Carbon Emissions and annual sales data prior to the launch of the FTSE Asia Pacific Low Carbon Select Index are lagged by one year.

⁵ China A stock weights are capped at 20% with a 10bps minimum weight threshold.

Section 9

Changes to Constituent Companies

9.0 Changes to Constituent Companies

9.1 Intra-review Additions

- 9.1.1 Additions to the FTSE Asia Pacific Low Carbon Select Index will be considered for inclusion at the next annual review.

9.2 Intra-review Deletions

- 9.2.1 A constituent will be removed from the FTSE Asia Pacific Low Carbon Select Index if it is removed from the underlying universe. The weight of the removed constituent will be distributed pro-rata amongst the remaining constituents in the relevant index.

9.3 Intra-review Changes to Exclusion Lists

- 9.3.1 A constituent will be removed from the FTSE Asia Pacific Low Carbon Select Index if it is added to a relevant exclusion list. The deletion will be concurrent with its addition to the exclusion list.

9.4 **A stock that is removed from a relevant exclusion list will be considered for inclusion at the next periodic review.**

- 9.4.1 Further details on the treatment of events leading to intra-review exclusion status changes is set out in the Guide to the Construction and Maintenance of FTSE Exclusion Lists which can be accessed using the following link:

[Guide to the Construction and Maintenance of FTSE Exclusion Lists.pdf](#)

Section 10

Corporate Actions and Events

10.0 Corporate Actions and Events

- 10.1 If a constituent has a stock split, stock consolidation, rights issue, bonus issue, a change in the number of shares in issue or a change in free-float (with the exception of tender offers), the constituent's weighting in the FTSE Asia Pacific Low Carbon Select Index remains unchanged pre and post such an event.
- 10.2 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide for Non Market Capitalisation Weighted Indices using the following link:

[Corporate Actions and Events Guide for Non Market Cap Weighted Indices.pdf](#)

A Corporate 'Action' is an action on shareholders with a prescribed ex date. The share price will be subject to an adjustment on the ex date. These include the following:

- Capital Repayments
- Rights Issues/Entitlement Offers
- Stock Conversion
- Splits (sub-division) / Reverse splits (consolidation)
- Scrip issues (Capitalisation or Bonus Issue)

A Corporate 'Event' is a reaction to company news (event) that may impact the index depending on the index rules. For example, a company announces a strategic shareholder is offering to sell their shares (secondary share offer) – this could result in a free float weighting change in the index. Where an index adjustment is required FTSE Russell will provide notice advising of the timing of the change.

10.3 Suspension of Dealing

Suspension of Dealing rules can be found within the Corporate Actions and Events Guide for Non Market Capitalisation Weighted Indices.

10.4 Takeovers, Mergers and Demergers

The treatment of takeovers, mergers and demergers can be found within the Corporate Actions and Events Guide for Non Market Capitalisation Weighted Indices.

Section 11

Treatment of Dividends

11.0 Treatment of Dividends

- 11.1 Declared dividends are used to calculate the Standard Total Return Index of the FTSE Asia Pacific Low Carbon Select Index. All dividends are applied as at the ex-div date.
- 11.2 A net of tax Total Return index is also calculated based on the maximum withholding tax rates applicable to dividends received by institutional investors who are not resident in the same country as the remitting company and who do not benefit from double taxation treaties.

Withholding tax rates used in the net-of-tax index can be accessed using the following link:

[Withholding Tax Service](#)

Please also refer to the FTSE Russell Withholding Tax Guide which can be accessed using the following link:

[FTSE_Russell_Withholding_Tax_Guide.pdf](#)



Section 12

Industry Classification Benchmark (ICB)

12.0 Industry Classification Benchmark (ICB)⁶

12.1 Classification Structure

- 12.1.1 The FTSE Asia Pacific Low Carbon Select Index constituents are classified into Industries, Supersectors, Sectors and Subsectors, as defined by the Industry Classification Benchmark (ICB).
- 12.1.2 Details of the Industry Classification Benchmark are available from FTSE Russell and published on the FTSE Russell website (www.ftserussell.com) and can be accessed using the following link:
[Industry Classification Benchmark](#)

⁶ Russell indices migrated to the new ICB classification system in September 2020 and FTSE indices migrated in March 2021

Section 13

Indices Algorithm and Calculation Method

13.0 Indices Algorithm and Calculation Method

13.1 Prices

13.1.1 The FTSE Asia Pacific Low Carbon Select Index uses actual closing mid-market or last trade prices, where available, for securities with local market quotations. Further details can be accessed using the following link:

[Closing Prices Used For Index Calculation.pdf](#)

13.2 Calculation Frequency

13.2.1 The FTSE Asia Pacific Low Carbon Select Index will be calculated on an end of day basis and displayed to eight decimal points.

13.3 Index Calculation

The FTSE Asia Pacific Low Carbon Select Index are calculated using the algorithm described below:

13.3.1

$$\sum_{i=1}^N \frac{(p_i \times e_i \times s_i \times f_i \times c_i)}{d}$$

Where,

- $i=1,2,\dots,N$
- N is the number of securities in the index.
- p_i is the latest trade price of the component security (or the price at the close of the index on the previous day).
- e_i is the exchange rate required to convert the security's currency into the index's base currency.
- s_i is the number of shares in issue used by FTSE Russell for the security, as defined in these Ground Rules.
- f_i is the Investability Weighting Factor to be applied to a security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% free float. This factor is published by FTSE Russell for each security in the underlying index.

- c_i is the Weight Adjustment Factor (WAF) to be applied to a security to correctly weight that security in the index. This factor maps the investable market capitalisation of each stock to a notional market capitalisation for inclusion in the index.
- d is the divisor, a figure that represents the total issued share capital of the Index at the base date. The divisor can be adjusted to allow changes in the issued share capital of individual securities to be made without distorting the index.

Appendix A: Exclusions

At each index review, companies with business activities listed in the table below are excluded from the eligible universe. Exclusion lists are reviewed on a quarterly basis in March, June, September and December.

Product Involvement Exclusions	Involvement Threshold for Exclusions
Controversial Weapons	
<p>Anti-personnel mines: Companies that produce anti-personnel mines as defined in the “1997 Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction”, or that produce specific and critical parts or services for anti-personnel mines.</p> <p>Biological & Chemical weapons: Companies that produce chemical or biological weapons, or that produce specific and critical parts or services for chemical or biological weapons.</p> <p>Cluster Munitions: Companies that produce cluster munitions as defined in the Convention on Cluster Munitions, or that produce specific and critical parts or services for cluster munitions.</p>	Greater than 0% of revenues
Tobacco	
<p>Companies producing tobacco products including cigarettes, roll your own tobacco, pipe tobacco, cigars, cigarillos, bidis, gutka, smokeless tobacco, and heated tobacco products (HTPs), as well as electronic cigarettes (or ‘e-cigarettes’) and electronic nicotine delivery systems (ENDS). This includes:</p> <ul style="list-style-type: none"> all companies that are classified in the ICB Subsector Tobacco 45103010 and Cannabis Producers 2010302 companies that are not classified in ICB Subsector Tobacco 45103010 and Cannabis Producers 20103020, but that are identified as having any activity in this Subsector 	Greater than 0% of revenues
Thermal Coal	
Companies with primary business activity in the exploration for or mining of coal	Greater than 0% of revenues

At each index review, FTSE Russell will apply the UN Global Compact (UNGC) controversies exclusion list outlined below to the underlying eligible universe. The exclusion list is reviewed on a quarterly basis in March, June, September and December.

Conduct-related Exclusions		Involvement Threshold form Exclusions	
UN Global Compact (UNGC) Controversies			
Companies involved in controversies related to the UNGC principles. The principles are classified into four categories: Human Rights, Labor, Environment and Anti-corruption.		All companies deemed to be non-compliant	



Appendix B: Further Information

A Glossary of Terms used in FTSE Russell's Ground Rule documents can be found using the following link [Glossary.pdf](#)

The FTSE Russell Sustainable Investment Metrics website can be found using the following link: [Sustainable Investment Metrics](#)

For further information on the FTSE Asia Pacific Low Carbon Select Index visit www.ftserussell.com or e-mail info@ftserussell.com. Contact details can also be found on this website.

Website: www.ftserussell.com

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