

FTSE Russell expands ESG Ratings analysis to include Australian small cap companies

- Supports the stewardship activities of Australian investors
- Australian small capitalisation stocks now included in expanded ESG research universe
- Universe now covers approximately 250 Australian listed companies

FTSE Russell, the global index and data provider, announces that, as part of ongoing enhancements, it has expanded its detailed, transparent Environmental, Social and Governance (ESG) data analysis to include small cap firms. As a result, approximately 250 Australian listed companies are now included in FTSE Russell's ESG coverage.

Australia has been the strongest market in the Asia Pacific region to voice commitment to integrating ESG into its investment practice, with 36 asset owners and 93 asset managers signed up to the Principles for Responsible Investment (PRI). In recent years Australia has deepened its local regulatory support of such commitments, with the Financial Services Council launch of the compulsory asset stewardship code for fund managers in 2017, and the ACSI launch of the Australian Asset Owners Stewardship Code in 2018. However, despite a strong commitment to sustainable investment, some smaller Australian companies still lag behind in their understanding of the ESG needs of investors, and therefore their disclosure and actions are limited in comparison to larger companies.

David Harris, Head of Sustainable Investment, FTSE Russell, said:

"We are pleased to expand our coverage in the Australian market where sustainable investment is a priority for many customers. By providing access to detailed, structured and transparent information on the ESG priorities and performance of Australian companies it will help support investor stewardship and ESG integration into active and passive strategies."

FTSE Russell's ESG Ratings and data model allows investors to understand a company's exposure to, and management of, ESG issues in multiple dimensions. The ESG Ratings are comprised of an overall Rating that breaks down into underlying Pillar and Theme Exposures and Scores. The Pillars and Themes are built on over 300 individual indicator assessments that are applied to each company's unique circumstances. Eligible companies are each given an ESG Rating ranging from 0 to 5; with 5 being the highest rating.

FTSE Russell is committed to supporting the investment community on long term, sustainable investment solutions since 2001. For instance, last year we launched the Stewardship, Transition and Engagement Program for Change (STEP Change), to support better global standards in reporting and to help companies measure their own performance.

Further information can be found online at the [ESG Ratings data page](#).

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Press Release



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About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$16 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

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 applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

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