

FTSE Russell & Sustainalytics announce global ESG partnership

- Strategic partnership between leading providers in global benchmarks and ESG research and ratings
- First products, ESG indexes based on the Russell US Indexes and Sustainalytics ESG Risk Ratings, to be introduced in early 2019
- FTSE Russell to complement its in-house sustainable investment capabilities by partnering with Sustainalytics to deliver greater choice for investors in integrating ESG into benchmarks and strategies

FTSE Russell, a leading global multi-asset index, data and analytics provider together with Sustainalytics, a global leader in ESG and corporate governance research, ratings and analysis, today announced a new strategic partnership to serve the rapidly growing demand for ESG integration into investment strategies. Through this partnership, FTSE Russell and Sustainalytics will work together to develop new FTSE Russell ESG indexes using the new Sustainalytics ESG Risk Ratings.

FTSE Russell will continue to invest and grow its in-house sustainable investment capabilities and supplement these through this new partnership with a fellow global leader in sustainable investment. Sustainalytics, which has worked with FTSE Russell for many years on custom indexes and successfully grown its capabilities and presence in the ESG market, is a natural choice as a partner. FTSE Russell believes providing new indexes driven by Sustainalytics data will provide the market with additional choice.

Initially, the two firms will develop a range of ESG indexes based on the Russell 1000, 2000 and 3000 indexes suitable as the basis for those implementing ESG considerations into their investment strategies. The teams are already working together to target the first product launch for the first half of 2019.

Mark Makepeace, CEO, FTSE Russell, said:

“This exciting new partnership deepens our relationship with Sustainalytics, a leading global provider of ESG research. This is an exciting development for our clients as it will provide new tools and benchmarks. FTSE Russell has been a leader in sustainable investment for nearly two decades and has been supporting the growing demand for ESG integration into passive strategies. The partnership with Sustainalytics enables us to provide a greater selection of options and choice to these ever growing client demands.”

Michael Jantzi, CEO, Sustainalytics, said:

“We are delighted to partner with FTSE Russell to combine our leading ESG Risk Ratings with FTSE Russell global indexes. The focus will initially be on the Russell US Indexes which has a leading position amongst





institutional and retail investors and the partnership will provide valuable tools for ESG integration and product creation.”

FTSE Russell is responding to a growing trend among asset owners to integrate sustainability and environmental, social and governance (ESG) considerations into their investment strategies and stewardship approach. Sustainable Investment benchmarks also support transparency and disclosure in the capital markets by providing a signal to companies regarding their performance on a range of sustainability and ESG issues.

– Ends –

For further information:

Global Media

Lucie Holloway/ Alex Ritterman
Tim Benedict

+44 (0)20 7797 1222
+1 (917) 582 0641
newsroom@lse.com

Notes to editors:

About FTSE Russell:

FTSE Russell is a leading global index provider creating and managing a wide range of indexes, data and analytic solutions to meet client needs across asset classes, style and strategies. Covering 98% of the investable market, FTSE Russell indexes 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. 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 investment funds, ETFs, structured products and index-based derivatives. FTSE Russell indexes 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.

For more information, visit www.ftserussell.com

About Sustainalytics:

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. For over 25 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world’s leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. With 13 offices globally, Sustainalytics has more than 400 staff members, including over 180 analysts with varied multidisciplinary expertise across more than 40 industry groups. Over the last three consecutive years, investors named Sustainalytics among the top three firms for both ESG and corporate governance research in the Independent Research in Responsible Investment Survey. For more information, visit www.sustainalytics.com.



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