Ground Rules

June 2026

FTSE Impact Bond Index Series

v1.8

FTSE RUSSELL
An LSEG Business

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Section 1

Introduction

1. Introduction

1.1 This document sets out the Ground Rules for the construction and management of the FTSE Impact Bond Index Series.

1.2 The FTSE Impact Bond Index Series are designed to measure the performance of global green, social and sustainability (GSS) bonds.

1.3 The FTSE Impact Bond Index Series takes account of ESG factors in its design.

1.4 The FTSE Impact Bond Index Series use LSEG Reference Data Services data and Climate Bonds Initiative (CBI) data to identify underlying bonds that are in compliance with corresponding international guidelines. Please see further details in Section 4 and 5.

1.5 The FTSE Impact Bond Index Series consists of the following:

- FTSE Green Impact Bond Index Series
- FTSE Social Impact Bond Index Series
- FTSE Sustainability Impact Bond Index Series

1.5.1 The categorisation of underlying bonds is based on the examination of the use of proceeds and/or the self-claimed label of each bond.

- Green bonds are bonds that carry green and/or equivalent labels such as climate or environmental and whose proceeds are applied to finance or re-finance eligible green projects.
- Social bonds are bonds that carry social and/or equivalent labels such as healthcare or gender equality and whose proceeds are applied to finance or re-finance eligible social projects.
- Sustainability bonds are bonds that carry sustainability and/or equivalent labels such as SDG or positive impact and whose proceeds are applied to finance or re-finance a mix of eligible green and social projects.

1.6 Each FTSE Impact Bond Index Series consists of below variants based on the underlying index:

- FTSE Global Impact Bond Index (Global Impact)
- FTSE World Broad Investment-Grade Impact Bond Index (WorldBIG Impact)
- FTSE Euro Broad Investment-Grade Impact Bond Index (EuroBIG Impact)
- FTSE US Broad Investment-Grade Impact Bond Index (USBIG Impact)

1.6.1 These Ground Rules should be read in conjunction with the FTSE Fixed Income Index Guide, which can be accessed using the following link:

FTSE-Fixed-Income-Indices-Guide.pdf

1.7 The Impact Bond Index Series consists of a broad array of sub-indices available in any combination of sectors (e.g. government, covered, corporate), use of proceeds, currency, maturity and rating.

1.8 FTSE Russell

1.8.1 FTSE Russell hereby notifies users of the index that it is possible that factors, including external factors beyond the control of FTSE Russell, may necessitate changes to, or the cessation, of the index and therefore, any financial contracts or other financial instruments that reference the index or investment funds which use the index to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index.

1.8.2 Index users who choose to follow this index or to buy products that claim to follow this index should assess the merits of the index's 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 or any members of the FTSE Russell Policy Advisory Board (or any person concerned with the preparation or publication of these Ground Rules) for any losses, damages, claims and expenses suffered by any person as a result of:

- any reliance on these Ground Rules;
- any inaccuracies in these Ground Rules;
- 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 or any constituent data.

Section 2

Management responsibilities

2. 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 series, and will:

- maintain records of all the constituents;
- be responsible for the addition and deletion of bonds and changes of nominal amounts, in accordance with the Ground Rules; and
- disseminate the indices.

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 best reflect the aim 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.

2.2.2 As provided for in the Statement of Principles for FTSE Russell Fixed Income 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.

[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).

Section 3

FTSE Russell index policies

3. 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 or by contacting fi.index@lseg.com. These policies are reviewed annually and any changes are approved by the FTSE Russell Index Governance Board.

3.1 Statement of Principles for FTSE Fixed Income 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 for FTSE Fixed Income Indices, 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 the FTSE Russell Index Governance Board.

The Statement of Principles for Fixed Income Indices can be accessed using the following link:

Statement_of_Principles_Fixed_Income_Indices.pdf

3.2 Queries and Complaints

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

Benchmark_Determination_Complaints_Handling_Policy.pdf

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

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

3.4 Recalculation Policy and Guidelines

The Recalculation Policy and Guidelines for Fixed Income Indices document is available from the FTSE Russell website using the link below or by contacting fi.index@lseg.com.

Fixed_Income_Recalculation_Policy_and_Guidelines.pdf

3.5 Policy for Benchmark Methodology Changes

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

Policy_for_Benchmark_Methodology_Changes.pdf

3.6 FTSE Russell Governance Framework

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 Benchmarks[2], the European benchmark regulation[3] and the UK benchmark regulation[4]. 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 (the UK Benchmark Regulation).

Section 4

Eligible securities

4. Base indices for the FTSE Impact Bond Index Series

4.1 The FTSE Impact Bond Index Series consists of the indices listed in the table below. To be included in a FTSE Impact Bond Index, securities must be eligible for the base index listed in the table below. Additional criteria are then applied to the base index to select green, social and sustainability (GSS) bonds that are in compliance with corresponding international guidelines, see section 4.2.

FTSE Impact Bond Index Series	FTSE Green Impact Bond Index Series	FTSE Social Impact Bond Index Series	FTSE Sustainability Impact Bond Index Series	Base index
FTSE Global Impact Bond Index	FTSE Global Green Impact Bond Index	FTSE Global Social Impact Bond Index	FTSE Global Sustainability Impact Bond Index	A union of multiple FTSE fixed income indices. See section 4.1.1
FTSE WorldBIG Impact Bond Index	FTSE WorldBIG Green Impact Bond Index	FTSE WorldBIG Social Impact Bond Index	FTSE WorldBIG Sustainability Impact Bond Index	FTSE World Broad Investment-Grade Bond Index
FTSE EuroBIG Impact Bond Index	FTSE EuroBIG Green Impact Bond Index	FTSE EuroBIG Social Impact Bond Index	FTSE EuroBIG Sustainability Impact Bond Index	FTSE Euro Broad Investment-Grade Bond Index
FTSE USBIG Impact Bond Index	FTSE USBIG Green Impact Bond Index	FTSE USBIG Social Impact Bond Index	FTSE USBIG Sustainability Impact Bond Index	FTSE US Broad Investment-Grade Bond Index

4.1.1 The FTSE Global Impact Bond indices consist of the following base indices:

Currency	Quality*	Index name
Multi-currency	IG	FTSE World Government Bond Index (WGBI)
	IG	FTSE World Broad Investment-Grade Bond Index (WorldBIG)
	HY	FTSE Pan-European High-Yield Market Index
	IG+HY	FTSE Emerging Markets Government Bond Index (EMGBI)
Euro	IG	FTSE Euro Broad Investment-Grade Bond Index (EuroBIG)
US Dollar	IG	FTSE US Broad Investment-Grade Bond Index (USBIG)
	IG	FTSE Eurodollar Bond Index
	IG+HY	FTSE IdealRatings Broad USD Sukuk Index
	IG+HY	FTSE Asian Broad Bond Index (ABBI)
	IG+HY	FTSE Emerging Markets US Dollar Government Bond Index (EMUSDGBI)
	IG+HY	FTSE Emerging Markets Broad Bond Index (EMUSDBBI)
	IG+HY	FTSE Middle East and North Africa Broad Bond Index (MENABBI)
	HY	FTSE US High-Yield Market Index (HYM)

Currency	Quality*	Index name
UK Sterling	IG	FTSE UK Domestic Investment-Grade Bond Index (UKDIGBI)
Japanese Yen	IG+HY+NR	FTSE Japanese Broad Bond Index (JPBBI)
	IG	FTSE Euroyen Bond Index
Chinese Yuan	IG+HY+NR	FTSE Chinese (Onshore CNY) Internationally-Aligned Green Bond Index (CNYGRBI -IA)
	IG+HY+NR	FTSE Chinese (Onshore CNY) Broad Bond Index
	IG+HY+NR	FTSE Dim Sum (Offshore CNY) Bond Index
Australian Dollar	IG	FTSE Australian Broad Investment-Grade Bond Index (AusBIG®)

* IG = investment grade, HY = high yield, NR = not rated

4.1.2 The FTSE Impact Bond Index Series excludes asset-backed and mortgage-backed securities.

For full details on the design criteria and calculation assumptions for each base index, please see the FTSE Fixed Income Index Guide, which can be accessed using the following link:

FTSE-Fixed-Income-Indices-Guide.pdf

4.2 Green, social and sustainability (GSS) eligibility criteria

4.2.1 The FTSE Impact Bond Index Series incorporates data from LSEG Reference Data Services and the Climate Bonds Initiative (CBI) to identify securities that are in compliance with corresponding international guidelines.

4.2.2 CBI data is used to identify eligible green bonds whose use of proceeds is compatible with a low-carbon economy and delivers meaningful environmental benefits. LSEG Reference Data Services data is used to identify eligible social and sustainability bonds that are in line with the core components of International Capital Markets Association (ICMA) Social Bond Principles (SBP) and/or ICMA Sustainability Bond Guidelines (SBG). The ICMA Principles and Guidelines can be accessed using the following link:

The Principles, Guidelines and Handbooks » ICMA

4.2.3 The ICMA's Green Bond Principles (GBP) and SBP both have four core components to ensure the transparency and governance of green bond and social bond issuance, respectively. The SBG confirms that sustainability bonds should also aligned with the four core components:

a. **Use of proceeds:** both GBP and SBP recommend that green and/or social projects should be appropriately described in the legal documentation of the bond. All designated eligible green and/or social projects should provide clear green and/or social benefits, which will be assessed and, where feasible, quantified by the issuer. The eligible categories defined by GBP include but are not limited to climate change mitigation, climate change adaptation, biodiversity, natural resource conservation and pollution prevention and control. Examples of eligible social projects under SBP include affordable basic infrastructure, access to essential services, affordable housing, employment generation, food security and sustainable food systems, reduction of food loss and waste, and socioeconomic advancement and empowerment.

b. **Process for project evaluation and selection:** GBP and SBP both encourage issuers should provide information about the process for project evaluation and selection, which should be supplemented by an external reviewer.

c. **Management of proceeds:** both GBP and SBP suggest high level of transparency and recommend that an issuer's management of proceeds be supplemented by the use of an external auditor or reviewer.

d. **Reporting:** both GBP and SBP suggest the issuer to release post issuance report annually until full allocation. The reports should include the lists of green and/or social projects to which the bond proceeds have been allocated, amounts allocated, and their expected green and/or social impact.

4.2.4 Index review of post issuance reporting

On an ongoing basis, the availability of post issuance reports, which bond issuers have committed to comply with in accordance with relevant ICMA principles, will be confirmed for index inclusion purposes. The search for a post issuance report will be conducted approaching the 12th month since a bond was issued. For example, if a bond is issued on 15 January, the search will take place in January of the following year.

Index handling for the availability of post issuance reports is described as follows:

- Post issuance report is available.
  - If the post issuance report is available and all net proceeds has been fully allocated, the bond will be considered to have fulfilled the reporting commitment permanently.
  - If the latest post issuance report is available and the proceeds have not been fully allocated, the bond will be subject to follow-up post issuance report confirmations on an annual basis until the proceeds are fully allocated.
- Post issuance report is not available.
  - If its first post issuance report is not available immediately after the 12th month since a bond issued,it will be placed on a watch list for an additional six months. For example, if a bond is issued on 15 January and the post issuance report is not available in January of the following year, the bond will remain index eligible subject to a subsequent search for a post issuance report in July of the same year.
  - A bond will be removed from the index if the issuer fails to release a post issuance report publicly in the 18 month period since the issue date. For example, if a bond is issued on 15 January and the post issuance report is not available by the end July in the following year, it will be removed from the index at the July month-end rebalance.
  - If an issuer fails to release a report for an 18-month period since its latest post issuance report where proceeds had not been fully allocated, the bond will also be removed from the index.
  - When an index bond is removed, it’s no longer considered eligible for inclusion in the future.

Section 5

ESG data inputs

5. ESG data inputs

The following ESG datasets are used in the construction of indices in the Index Series.

ESG data inputs	Details	Used for selection, weighting or exclusion[5]
Climate Bond Initiate (CBI)	Climate Bonds Initiative (CBI) screens self-labelled debt instruments to identify bonds and similar debt instruments as eligible for inclusion in the Climate Bonds Initiative Green Bond Database. This references the Climate Bonds Taxonomy. More information can be found: CBI Methodology	Selection
LSEG Reference Data Services ESG data	LSEG Reference Data Services ESG Bond data covers the four main classification types of Green, Social, Sustainability and Sustainability-Linked Bonds.	Selection

5.1.1 Further information on ESG 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_ESG_Data_used_in_FTSE_Russell_Indices

This includes information on the data and standards used for these ESG data inputs. These data sets may include estimated data.

[5] Definitions
Selection – ESG data is used to select or rank constituents, or calculate minimum scores or thresholds.
Weighting – ESG data is used to calculate the weight of a constituent in an index.
Exclusion – ESG data is used to exclude companies from the index.

Section 6

Index methodology

6. FTSE Impact Bond Index Series methodology

6.1.1 The index calculation methodology for each FTSE Impact Bond Index Series follows the same methodology as the base index. Further details can be found on the FTSE Fixed Income Index Guide:

FTSE Fixed Income Indices Guide.pdf

6.2 Index history data

6.2.1 The inception date of the indices within the FTSE Impact Bond Index Series is as follows:

FTSE Impact Bond Index Series	Inception date
FTSE Global Impact Bond Index	31 December 2013
FTSE World Broad Investment-Grade Impact Bond Index	31 December 2013
FTSE Euro Broad Investment-Grade Impact Bond Index	31 December 2013
FTSE US Broad Investment-Grade Impact Bond Index	31 December 2013
FTSE Green Impact Bond Index Series	**Inception date**
FTSE Global Green Impact Bond Index	31 December 2013
FTSE World Broad Investment-Grade Green Impact Bond Index	31 December 2013
FTSE Euro Broad Investment-Grade Green Impact Bond Index	31 December 2013
FTSE US Broad Investment-Grade Green Impact Bond Index	31 December 2013
FTSE Social Impact Bond Index Series	**Inception date**
FTSE Global Social Impact Bond Index	30 September 2015
FTSE World Broad Investment-Grade Social Impact Bond Index	30 September 2015
FTSE Euro Broad Investment-Grade Social Impact Bond Index	30 September 2015
FTSE US Broad Investment-Grade Social Impact Bond Index	30 June 2018
FTSE Sustainability Impact Bond Index Series	**Inception date**
FTSE Global Sustainability Impact Bond Index	31 March 2015
FTSE World Broad Investment-Grade Sustainability Impact Bond Index	31 March 2015
FTSE Euro Broad Investment-Grade Sustainability Impact Bond Index	31 March 2015
FTSE US Broad Investment-Grade Sustainability Impact Bond Index	31 May 2016

6.3 Chronological summary of events

FTSE Impact Bond Index Series event summary

Year	Highlight
2022	**June:** FTSE Impact Bond Index Series, FTSE Social Impact Bond Index Series and FTSE Sustainability Impact Bond Index Series are introduced. **July:** a base index for the FTSE Global Green Impact Bond Index is changed from the FTSE Eurosterling Bond Index to the FTSE UK Domestic Investment-Grade Bond Index. **November:** New Zealand is added to the FTSE World Government Bond Index.
2021	**July:** FTSE Green Impact Bond Index Series are introduced in July 2021 with inception date since December 2013.

Appendix A

Further information

For contact details, please visit the FTSE Russell website or contact FTSE Russell client services at fi.index@lseg.com.

Website: www.lseg.com/en/ftse-russell/

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