

## FTSE4Good Semi-Annual Review June 2016

- 77 new companies added to the FTSE4Good Global Index
- 26 additions from USA, the largest contributor
- Two largest additions are Danone and AbbVie who both enter FTSE4Good for the first time
- 43 companies removed from index following tougher inclusion criteria

FTSE Russell, the global index provider, today announces changes following the June 2016 FTSE4Good Index Series and ESG ratings semi-annual review.

The latest review sees 77 new additions to the FTSE4Good Global Index while 43 companies have been removed from the index, reflecting the tougher inclusion criteria. This large number of changes reflects the continued impact of FTSE Russell's new ESG methodology, which lifted the standards required for companies to maintain inclusion. Existing constituents not keeping pace with the new criteria were first given notice of their risk of deletion over 18 months ago, and the removals this June represents the second tranche of companies not meeting a series of phased deadlines that will continue to remove companies failing to meet the new index requirements.

The largest number of additions at this review is from the USA, contributing 26 companies, followed by Japan, with 10 companies and the UK, which contributed 8 companies. More details on the individual changes are available on [FTSE Russell's website](#).

The two largest additions are AbbVie, the US listed pharmaceuticals company that spun off from Abbott Laboratories, and Danone the French listed food products company. Danone also needed to meet criteria relating to the marketing of Breast Milk Substitutes (BMS), which now means there are two companies in the index that meet these sector specific requirements. In line with the criteria and index inclusion rules, Danone will now be subject to an external in-country verification assessment commissioned by FTSE Russell to assess their BMS marketing practices on the ground. FTSE Russell is leading a collaborative effort with several organisations to organise these verifications and associated results workshops and subsequently will publish the verification findings report.

The FTSE4Good Series is designed to help investors integrate environmental, social and governance (ESG) factors into their investment decisions. The indexes identify companies that better manage ESG risks and are used as a basis for tracker funds, structured products and as a performance benchmark. The ESG Ratings are used by investors who wish to incorporate ESG factors into their investment decision making processes, or as a framework for corporate engagement and stewardship.

– Ends –



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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 80 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$10 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 client collaboration as it seeks to enhance the breadth, depth and reach of its offering.

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