



FTSE4Good Semi-Annual Review December 2015

- Volkswagen AG suspended from the FTSE4Good Index Series
- 40 new companies added to the Global Index
- 16 additions from USA; 4 each from UK and Japan

FTSE Russell, the global index provider, today announces changes following the December 2015 FTSE4Good Index Series and ESG ratings semi-annual review. The December semi-annual review sees 40 new companies being added to the FTSE4Good Global Index, while 32 companies are being removed.

Based on FTSE Russell's assessment, and following subsequent review by FTSE Russell's independent Environmental Social and Governance (ESG) Advisory Committee, Volkswagen AG will be suspended from the FTSE4Good Index Series. The company is deemed to have misled government agencies and consumers over vehicle emissions through the application of software designed to circumvent test requirements. The suspension follows an assessment of Volkswagen through FTSE's Controversy Monitor which considers the significance of crises or controversies; how the company has responded; and the extent to which it impacts wider industry.

Companies suspended from the FTSE4Good Index Series are not eligible for re-inclusion for a minimum of two years. The suspension, alongside the wider index additions and deletions, will be implemented at the close of business on Friday, 18 December 2015 and take effect from the start of trading on Monday, 21 December 2015.

The addition of 40 new firms and deletion of 32 companies from the FTSE4Good Global Index reflects the impact of FTSE Russell's new ESG methodology, lifting the standards required for companies to maintain inclusion. Existing constituents not keeping pace with the new criteria were first given notice over 12 months ago, and the removals this December represent the first of a series of phased deadlines that will remove companies failing to meet the new index requirements.

The largest number of additions at this review is from the USA, contributing 16 companies, followed by the UK and Japan with 4 companies each. More details on the individual changes are available on [FTSE Russell's website](#).

The FTSE4Good Index 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 performance benchmarks. 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.

FTSE Russell's global ESG offering has continued to expand over the last twelve months. Longstanding partnerships with Bursa Malaysia and Johannesburg Stock Exchange have led the development of the FTSE4Good Bursa Malaysia Index and the FTSE/JSE Responsible Investment Benchmark.



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 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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