



Transforming Britain's Landscapes

## FTSE4GOOD

FTSE4GOOD assesses Corporate Social Responsibility practices based on principles of Socially Responsible Investment (SRI). The following is taken from the FTSE4GOOD website – [www.ftse.com](http://www.ftse.com)

### ***Key Objectives***

1. To provide a tool for responsible investors to identify and invest in companies that meet globally recognised corporate responsibility standards.
2. To provide asset managers with a socially responsible investment (SRI) benchmark and a tool for socially responsible investment products.
3. To contribute to the development of responsible business practice around the world.



### ***Key Features***

1. Evolving selection criteria to reflect changes in globally accepted corporate responsibility standards and codes of conduct over time.
2. Challenging yet achievable criteria that encourage companies to strive to meet them.
3. Higher impact companies have to meet higher standards.
4. Transparent criteria and methodology.
5. Criteria based on internationally respected codes and principles with new criteria subjected to a widespread consultation and approved by an independent oversight committee.

## ***Company Assessment Process***

To qualify for inclusion in the FTSE4Good Index Series, companies must be in one of the following starting universes: the FTSE All-Share Index (UK), or FTSE Developed Index (Global).

For inclusion, eligible companies must meet criteria requirements in five areas:

- Working towards environmental sustainability
- Developing positive relationships with stakeholders
- Up-holding and supporting universal human rights
- Ensuring good supply chain labour standards
- Countering bribery

## ***Excluded Companies***

Companies that have been identified as having business interests in the following industries are excluded from the FTSE4Good Index Series:

- Tobacco Producers
- Companies manufacturing either whole, strategic parts, or platforms for nuclear weapon systems
- Companies manufacturing whole weapons systems
- Owners or operators of nuclear power stations
- Companies involved in the extraction<sup>1</sup> or processing of uranium

It is the FTSE4Good Policy Committee's intention to replace exclusion criteria with performance-based criteria supported by public consultation.

## ***EIRIS Research***

FTSE works in association with the Ethical Investment Research Service (EIRIS) and its network of international partners to research company corporate responsibility performance. FTSE4Good indices are reviewed semiannually in September and March, by the FTSE4Good Policy Committee. The research process is undertaken around these dates, with the distribution of an extensive questionnaire in June and an update of the companies' Corporate Responsibility (CR) data in November of each year.

EIRIS manages the research and analysis globally in order to cover the FTSE4Good Index eligible universe, either directly or through a network of partner research organisations.

A variety of mechanisms are employed to access the most up-to-date relevant data:

- Scrutiny of annual reports
- Research of company websites
- Written questionnaires and liaison with companies where appropriate
- Other publicly available material
- In addition, factsheets detailing the information held by EIRIS are distributed to companies on a regular basis for updating and review