



## SEMI- ANNUAL REVIEW OF THE FTSE4GOOD INDICES

**MARCH 2011**

**This paper provides the details of the March 2011 FTSE4Good Semi-Annual index review. The FTSE4Good Policy Committee has approved all constituent changes.**

### 1. INCLUSIONS

Seventy-three companies will be added to the FTSE4Good Index Series at this review. As a result of South Korea and Israel being added to the FTSE4Good Global Universe, 11 South Korean and eight Israeli companies will be entering the index series. The table below shows the nationality of these companies. In addition to the South Korean and Israeli companies, 54 companies will also be new entrants to the index through meeting the FTSE4Good Criteria.

(See Appendix 1 and 2 for the New FTSE4Good Index Constituents)

| <b>Country</b> | <b>New to meeting criteria</b> | <b>New to universe</b> |
|----------------|--------------------------------|------------------------|
| Denmark        | 1                              |                        |
| France         | 6                              |                        |
| Germany        | 1                              |                        |
| Israel         |                                | 8                      |
| Italy          | 2                              |                        |
| Japan          | 14                             |                        |
| Portugal       | 1                              |                        |
| Singapore      | 1                              |                        |
| Spain          | 1                              |                        |
| South Korea    |                                | 11                     |
| Sweden         | 3                              |                        |
| Switzerland    | 1                              |                        |
| UK             | 7                              |                        |
| USA            | 16                             |                        |
| <b>TOTAL</b>   | <b>54</b>                      | <b>19</b>              |

## **2. DELETIONS**

Seven companies will be removed from the FTSE4Good Index Series (see sections 2.1 - 2.4 for details) at this review. Appendix 3 lists all the deleted companies.

The FTSE4Good inclusion criteria evolve over time, demanding continued improvement in environmental and social practices in order to gain or maintain inclusion in the index. FTSE's in-house Responsible Investment Unit undertakes an extensive global engagement programme with all FTSE4Good companies affected by new criteria requirements. Companies are made aware of the deadlines and what steps they have to take.

### **2.1 The following company has been deleted from the index for not meeting the FTSE4Good Environmental Management Criteria**

Home Depot (also see section 2.2)

### **2.2 The following three companies have been deleted from the index for not meeting the FTSE4Good Human & Labour Rights Criteria**

Home Depot (also see section 2.1)  
National Semiconductor  
Oracle Corporation

### **2.3 The following three companies have been deleted from the index for not meeting the FTSE4Good Countering Bribery Criteria**

Kurita Water Industries  
Shin-Etsu Chemical  
UMECO

### **2.4 The following company has been deleted from the index for involvement in excluded activities (weapons systems)**

Morgan Crucible

**APPENDIX 1 - NEW FTSE4GOOD INDEX CONSTITUENTS (EX-SOUTH KOREA & ISRAEL)\***

| <b>No.</b> | <b>Company Name</b>            | <b>Country</b> | <b>Subsector</b>                 |
|------------|--------------------------------|----------------|----------------------------------|
| 1          | Rockwool International         | Denmark        | Construction & Materials         |
| 2          | Eutelsat Communications        | France         | Media                            |
| 3          | Fonciere Des Regions           | France         | Real Estate Investment Trusts    |
| 4          | NATIXIS                        | France         | Banks                            |
| 5          | Rexel                          | France         | Support Services                 |
| 6          | Suez Environnement             | France         | Gas, Water & Multi-utilities     |
| 7          | Wendel Investissement          | France         | Financial Services               |
| 8          | Lanxess                        | Germany        | Chemicals                        |
| 9          | Assicurazioni Generali         | Italy          | Nonlife Insurance                |
| 10         | Enel                           | Italy          | Electricity                      |
| 11         | Amada                          | Japan          | Industrial Engineering           |
| 12         | Asatsu-DK                      | Japan          | Media                            |
| 13         | Central Japan Railway          | Japan          | Travel & Leisure                 |
| 14         | Chuo Mitsui Trust Holdings     | Japan          | Banks                            |
| 15         | Dai-ichi Life Insurance        | Japan          | Life Insurance                   |
| 16         | Funai Electric                 | Japan          | Leisure Goods                    |
| 17         | Haseko                         | Japan          | Construction & Materials         |
| 18         | Hiroshima Bank                 | Japan          | Banks                            |
| 19         | Ito En                         | Japan          | Beverages                        |
| 20         | Keihan Electric Railway        | Japan          | Travel & Leisure                 |
| 21         | Mazda Motors                   | Japan          | Automobiles & Parts              |
| 22         | Nippon Meat Packers            | Japan          | Food Producers                   |
| 23         | Nissan Chemical Industries     | Japan          | Chemicals                        |
| 24         | Toho Titanium                  | Japan          | Industrial Metals & Mining       |
| 25         | Energias de Portugal           | Portugal       | Electricity                      |
| 26         | Singapore Exchange             | Singapore      | Financial Services               |
| 27         | Grupo Acciona                  | Spain          | Construction & Materials         |
| 28         | CDON Group                     | Sweden         | Media                            |
| 29         | Getinge                        | Sweden         | Health Care Equipment & Services |
| 30         | Modern Times Group             | Sweden         | Media                            |
| 31         | Nestlé                         | Switzerland    | Food Producers                   |
| 32         | Anglo American                 | UK             | Mining                           |
| 33         | Hansen Transmissions           | UK             | Alternative Energy               |
| 34         | Northern Foods                 | UK             | Food Producers                   |
| 35         | Premier Foods                  | UK             | Food Producers                   |
| 36         | RSM Tenon Group                | UK             | Financial Services               |
| 37         | Tarsus Group                   | UK             | Media                            |
| 38         | The Rank Group                 | UK             | Travel & Leisure                 |
| 39         | ACE                            | USA            | Nonlife Insurance                |
| 40         | Aflac                          | USA            | Life Insurance                   |
| 41         | AmerisourceBergen              | USA            | Food & Drug Retailers            |
| 42         | Apollo Group                   | USA            | General Retailers                |
| 43         | BlackRock                      | USA            | Financial Services               |
| 44         | Broadridge Financial Solutions | USA            | Support Services                 |
| 45         | Compuware                      | USA            | Software & Computer Services     |
| 46         | Frontier Communications        | USA            | Fixed Line Telecommunications    |
| 47         | Linear Technology              | USA            | Technology Hardware & Equipment  |
| 48         | T.Rowe Price Group             | USA            | Financial Services               |
| 49         | US Bancorp                     | USA            | Banks                            |
| 50         | VeriSign                       | USA            | Software & Computer Services     |
| 51         | Waters Corporation             | USA            | Health Care Equipment & Services |
| 52         | Western Digital                | USA            | Technology Hardware & Equipment  |
| 53         | Western Union                  | USA            | Financial Services               |
| 54         | Zimmer Holdings                | USA            | Health Care Equipment & Services |

\* Changes will be effective from close of business on Friday 18<sup>th</sup> March 2011.

**APPENDIX 2 – NEW SOUTH KOREAN AND ISRAELI CONSTITUENTS\***

| <b>No.</b> | <b>Company Name</b>       | <b>Country</b> | <b>Subsector</b>                    |
|------------|---------------------------|----------------|-------------------------------------|
| 1          | Cellcom Israel            | Israel         | Mobile Telecommunications           |
| 2          | Bezeq                     | Israel         | Fixed Line Telecommunications       |
| 3          | Bank Hapoalim             | Israel         | Banks                               |
| 4          | Bank Leumi                | Israel         | Banks                               |
| 5          | Israel Discount Bank      | Israel         | Banks                               |
| 6          | Nice Systems              | Israel         | Technology Hardware & Equipment     |
| 7          | Gazit Globe               | Israel         | Real Estate Investment & Services   |
| 8          | Partner Communications    | Israel         | Mobile Telecommunications           |
| 9          | Amorepacific Corp         | South Korea    | Personal Goods                      |
| 10         | Samsung Electro-Mechanics | South Korea    | Electronic & Electrical Equipment   |
| 11         | KB Financial Group        | South Korea    | Banks                               |
| 12         | Busan Bank                | South Korea    | Banks                               |
| 13         | Dongbu Insurance          | South Korea    | Nonlife Insurance                   |
| 14         | Daegu Bank                | South Korea    | Banks                               |
| 15         | Halla Climate Control     | South Korea    | Automobiles & Parts                 |
| 16         | Hyundai Hysco             | South Korea    | Industrial Metals & Mining          |
| 17         | Woongjin Coway            | South Korea    | Household Goods & Home Construction |
| 18         | Daum Communications       | South Korea    | Software & Computer Services        |
| 19         | NHN                       | South Korea    | Software & Computer Services        |

\* Changes will be effective from close of business on Friday 18<sup>th</sup> March 2011.

### APPENDIX 3 - FTSE4GOOD INDEX DELETIONS\*

| No. | Company Name            | Country | Sector                            | Reason   |
|-----|-------------------------|---------|-----------------------------------|--|
| 1   | Home Depot              | USA     | General Retailers                 | Environmental Management and Human and Labour Rights |
| 2   | National Semiconductor  | USA     | Technology Hardware & Equipment   | Human and Labour Rights                              |
| 3   | Oracle Corp.            | USA     | Software & Computer Services      | Human and Labour Rights                              |
| 4   | Kurita Water Industries | Japan   | Industrial Engineering            | Countering Bribery                                   |
| 5   | Shin-Etsu Chemical      | Japan   | Chemicals                         | Countering Bribery                                   |
| 6   | UMECO                   | UK      | Aerospace & Defence               | Countering Bribery                                   |
| 7   | Morgan Crucible         | UK      | Electronic & Electrical Equipment | Exclusion (Weapons systems)                          |

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#### **Contact**

For sales information and enquiries please contact [info@ftse.com](mailto:info@ftse.com)

For press enquiries please e-mail [media@ftse.com](mailto:media@ftse.com) or call the following:

**New York** Jill Mathers Tel: +1 (212) 314 1142.

**London** Eoin Bedford Tel: +44 (0) 207 866 1817

**Hong Kong** Meredith Odgers / Emily Mok, Tel: + 85 222 305 801

**Tokyo** Stewart Ueno, Tel: +81 3 35 81 3444

**Australia** Natalie Brooke, Tel: +61 2 92 93 2867