




# FTSE Global Choice Index Series

## Screening definitions

The FTSE Global Choice Index Series is a market capitalization weighted index series with a rules-based methodology for defining how the products and conduct of a company impact society and the environment. The result is a framework for applying robust and customizable values-based exclusions to a broad market index.

The FTSE Global Choice Index Series includes negative screens in three product categories and two conduct categories:

- The product-related screening criteria covers: Non-Renewable Energy (Fossil Fuel and Nuclear Power), Vice Products (Adult Entertainment, Alcohol, Gambling and Tobacco), and Weapons (Chemical & Biological Weapons, Cluster Munitions, Anti-Personnel Landmines, Nuclear Weapons, Conventional Military Weapons and Civilian Firearms)
- The conduct-related screening criteria covers: Controversies (based on the UN Global Compact Principles) and Diversity practices

Company Products	
	<b>Non-Renewable Energy</b>
<b>Fossil Fuel Reserves -</b> Coal, Oil & Gas	Companies that own proved or probable reserves in coal, oil or gas.
<b>Oil and Gas -</b> Production, supporting products and services	Any company owning oil or gas reserves, and any company with primary business activity in <ul style="list-style-type: none"> <li>• the exploration for and drilling, production, refining and supply of oil and gas products (as defined by the ICB subsector 0533 Exploration &amp; Production)</li> <li>• the supply of equipment and services to oil fields and offshore platforms, such as drilling, exploration, seismic-information services and platform construction (ICB subsector 0573 Oil Equipment &amp; Services)</li> </ul>

	<ul style="list-style-type: none"> <li>the operations of pipelines carrying oil, gas or other forms of fuel (ICB subsector 0577 Pipelines; note that this excludes pipeline operators that derive the majority of their revenues from direct sales to end users)</li> <li>integrated oil and gas companies, providing a combination of the services listed above, including refining and marketing of oil and gas products (ICB subsector 0537 Integrated Oil &amp; Gas)</li> </ul>
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<b>Coal –</b> Production, supporting products and services	Any company owning coal reserves, and any company with primary business activity in the exploration for or mining of coal (as defined by the ICB subsector 1771 Coal).
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<b>Nuclear Power -</b> Generation and Uranium Mining	<p>Companies that generate revenues from nuclear power production.</p> <p>This includes:</p> <ul style="list-style-type: none"> <li>nuclear power generation</li> <li>nuclear power plant equipment, components and construction</li> <li>uranium mining</li> <li>uranium processing and enrichment</li> </ul>
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## **Vice Products**

<b>Adult Entertainment</b>	<p>Companies that produce adult entertainment.</p> <p>This includes:</p> <ul style="list-style-type: none"> <li>movies</li> <li>print publications</li> <li>online content</li> <li>live entertainment</li> </ul>
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<b>Alcohol</b>	<p>Companies that produce alcoholic beverages.</p> <p>This includes:</p> <ul style="list-style-type: none"> <li>all companies that are classified in the Industry Classification Benchmark (ICB) Subsectors Brewers (3533) and Distillers &amp; Vintners (3535)</li> <li>companies that are not classified in ICB Subsectors Brewers (3533) and Distillers &amp; Vintners (3535), but that are identified as having activity in these Subsectors</li> </ul>
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<b>Gambling</b>	<p>Companies that provide gambling services.</p> <p>This includes:</p> <ul style="list-style-type: none"> <li>all companies that are classified in the Industry Classification Benchmark (ICB) Subsector Gambling (5752)</li> <li>companies that are not classified in ICB Subsector Gambling (5752), but that are identified as having activity in this Subsector</li> </ul>
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<b>Tobacco</b>	<p>Companies that produce tobacco products.</p> <p>This includes:</p> <ul style="list-style-type: none"> <li>all companies that are classified in the Industry Classification Benchmark (ICB) Subsectors Tobacco (3785)</li> <li>companies that are not classified in ICB Subsector Tobacco (3785), but that are identified as having activity in this Subsector</li> </ul>
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## **Weapons**

<b>Chemical &amp; Biological Weapons</b>	Companies that produce chemical or biological weapons, or that produce specific and critical parts or services for chemical or biological weapons.
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<b>Cluster Munitions</b>	Companies that produce cluster munitions as defined in the Convention on Cluster Munitions, or that produce specific and critical parts or services for cluster munitions.
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<b>Anti-Personnel Landmines</b>	Companies that produce anti-personnel mines as defined in the “1997 Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their
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	Destruction”, or that produce specific and critical parts or services for anti-personnel mines.
<b>Nuclear Weapons</b>	Companies that produce nuclear weapons systems, or that produce specific and critical parts or services for nuclear weapons systems.
<b>Conventional Military Weapons</b>	Companies that produce other weapons for military use.  This includes: <ul style="list-style-type: none"> <li>• munitions</li> <li>• vehicles designed to carry military weapons (mounted or demountable)</li> <li>• weapons delivery systems; including mounting and launching systems as well as targeting and guidance systems</li> </ul>
<b>Firearms</b>	Companies that produce firearms or ammunition for non-military use.  This includes: <ul style="list-style-type: none"> <li>• handguns</li> <li>• shotguns</li> <li>• rifles</li> <li>• semi-automatic weapons</li> </ul>

## Company Conduct



### Controversies

<b>Anti-Corruption</b>	Controversies related to Principle 10 of the UN Global Compact, which is derived from the United Nations Convention Against Corruption.  Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
<b>Environment</b>	Controversies related to Principles 7, 8, and 9 of the UN Global Compact, which is derived from the Rio Declaration on Environment and Development.  Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
<b>Human Rights</b>	Controversies related to Principles 1 and 2 of the UN Global Compact, which is derived from the Universal Declaration of Human Rights.  Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
<b>Labor</b>	Controversies related to Principles 3, 4, 5, and 6 of the UN Global Compact, which is derived from the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work.  Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labor; Principle 5: the effective abolition of child labor; and Principle 6: the elimination of discrimination in respect of employment and occupation.



### Diversity

<b>Diversity</b>	For this criteria, an “Excluded Company” will fail to meet two out of three diversity indicators:  Woman/women on the Board Diversity policies Diversity management systems
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