Ground Rules

FTSE Global Choice Index Series
v1.8
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Section 1

Introduction

1.0  Introduction

1.1  This document sets out the Ground Rules for the construction and management of the FTSE Global Choice Index Series. Copies of these Ground Rules are available from FTSE Russell.

1.2  The FTSE Global Choice Index Series is designed to represent the performance of FTSE Russell indexes that exclude companies based on the impact of their conduct or products on society and/or the environment.

1.3  The FTSE Global Choice Index Series takes account of ESG factors in its index design. Please see further details in Section 4 and 5.

1.4  The FTSE Global Choice Index Series consists of the following index:

- FTSE Global All Cap ex US Choice Index
- FTSE US All Cap Choice Index
- FTSE Developed ex Australia ex Non-renewable Energy / Vice Products / Weapons Index
- FTSE Developed All Cap ex Controversies / Non-Renewable Energy / Vice Products / Weapons Index
- FTSE Emerging All Cap ex Controversies/ Non-Renewable Energy / Vice Products / Weapons Index
- FTSE Developed Europe All Cap ex Controversies/ Non-Renewable Energy / Vice Products / Weapons Index
- FTSE All World ex Controversies ex CW Index
- FTSE Developed ex Controversies ex CW Index
- FTSE Emerging ex Controversies ex CW Index
- FTSE Advanced Emerging ex Controversies ex CW Index
- FTSE UK ex Controversies ex CW Index
- FTSE World ex UK ex Controversies ex CW Index
- FTSE Developed Europe ex UK ex Controversies ex CW Index
- FTSE North America ex Controversies ex CW Index
- FTSE World North America ex Controversies ex CW Index
- FTSE Developed Asia Pacific ex Japan ex Controversies ex CW Index
- FTSE Japan ex Controversies ex CW Index
- FTSE Developed Middle East and Africa ex Controversies ex CW Index
1.5 These Ground Rules should be read in conjunction with the FTSE Global Equity Index Series Ground Rules which can be accessed using the following links:

[FTSE_Global_Equity_Index_Series.pdf]

1.6 The indexes are calculated on an end of day basis

1.7 The indexes are calculated in US Dollars and may be published in other currencies.

1.8 A Price Index, Total Return Index and Net of Tax Index will be available. The Total Return and Net of Tax Indexes include income based on ex dividend adjustments.

1.9 The base currency of the benchmark is US Dollars. Index values may also be published in other currencies.

1.10 FTSE Russell


1.11 FTSE Russell hereby notifies users of the index series that it is possible that circumstances, including external events beyond the control of FTSE Russell, may necessitate changes to, or the cessation of, the index series and therefore, any financial contracts or other financial instruments that reference the index series or investment funds which use the index series to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index series.

1.12 Index users who choose to follow this index series or to buy products that claim to follow this index series should assess the merits of the index’s rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell (or any person concerned with the preparation or publication of these Ground Rules) for any losses, damages, claims and expenses suffered by any person as a result of:

- any reliance on these Ground Rules, and/or
- any errors or inaccuracies in these Ground Rules, and/or
- any non-application or misapplication of the policies or procedures described in these Ground Rules, and/or
- any errors or inaccuracies in the compilation of any constituent data in the index series.
Section 2

Management Responsibilities

2.0 Management Responsibilities

2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series.\(^1\)

2.1.2 FTSE is responsible for the daily calculation, production and operation of the index series and will:

- maintain records of the index weightings of all constituents and reserve companies;
- make changes to the constituents and their weightings in accordance with the Ground Rules;
- carry out the periodic index reviews of the index series and apply the changes resulting from the reviews as required by the Ground Rules;
- publish changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews;
- disseminate the indexes.

2.1.3 FTSE is also responsible for monitoring the performance of the index series throughout the day and will determine whether the status of each index should be ‘firm’, ‘indicative’ or ‘held’ (when calculated in real-time).

2.1.4 FTSE is responsible for maintaining the list of Excluded Companies.

2.2 Amendments to These Ground Rules

These Ground Rules shall be subject to regular review by FTSE Russell to ensure that they continue to best reflect the aims of the index series. Any proposals for significant amendments to these Ground Rules will be subject to consultation with FTSE Russell advisory committees and other stakeholders if appropriate. The feedback from these consultations will be considered by the FTSE Russell Product Governance Board before approval is granted.

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\(^1\) The term administrator is used in this document in the same sense as it is defined in Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the European Benchmark Regulation).
Section 3

FTSE Russell Index Policies

3.0 FTSE Russell Index Policies

These Ground Rules should be read in conjunction with the following policy documents which can be accessed using the links below:

3.1 Corporate Actions and Events Guide

3.1.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using the following link:

Corporate_Actions_and_Events_Guide.pdf

3.2 Queries and Complaints

3.2.1 FTSE Russell's complaints procedure can be accessed using the following link:

Benchmark_Determination_Complaints_Handling_Policy.pdf

3.3 Recalculation Policy and Guidelines

3.3.1 The FTSE Global Choice Index Series are recalculated whenever errors or distortions occur that are deemed to be significant. Users of the FTSE Global Choice Index Series are notified through appropriate media.

For further information refer to the FTSE Russell Recalculation Policy and Guidelines document which is available from the FTSE Russell website using the link below or by contacting info@ftserussell.com.

Recalculation_Policy_and_Guidelines_Equity_Indexes.pdf

3.4 Index Policy for Trading Halts and Market Closures

3.4.1 Guidance for the treatment of index changes in the event of trading halts or market closures can be found using the following link:

Index_Policy_for_Trading_Halts_and_Market_Closures.pdf

3.5 Index Policy in the Event Clients are Unable to Trade a Market

3.5.1 Details of FTSE Russell’s treatment can be accessed using the following link:

Index_Policy_in_the_Event_Clients_are_Unable_to_Trade_a_Market.pdf
3.6 Policy for Benchmark Methodology Changes

3.6.1 Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

Policy_for_Benchmark_Methodology_Changes.pdf
Section 4

Eligible Securities

4.0 Eligible Securities

4.1 The FTSE Global Choice Index Series will consist of constituents of the corresponding underlying index universe:

<table>
<thead>
<tr>
<th>FTSE Global Choice Index</th>
<th>Underlying Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTSE Global All Cap ex US Choice Index</td>
<td>FTSE Global All Cap ex USA Index</td>
</tr>
<tr>
<td>FTSE US All Cap Choice Index</td>
<td>FTSE USA All Cap Index</td>
</tr>
<tr>
<td>FTSE Developed ex Australia ex Non-renewable Energy /Vice Products / Weapons Index</td>
<td>FTSE Developed ex Australia Index</td>
</tr>
<tr>
<td>FTSE Developed All Cap ex Controversies / Non-renewable Energy /Vice Products / Weapons Index</td>
<td>FTSE Developed All Cap Index</td>
</tr>
<tr>
<td>FTSE Emerging All Cap ex Controversies / Non-renewable Energy /Vice Products / Weapons Index</td>
<td>FTSE Emerging All Cap Index</td>
</tr>
<tr>
<td>FTSE Developed Europe All Cap ex Controversies / Non-renewable Energy /Vice Products / Weapons Index</td>
<td>FTSE Developed Europe All Cap Index</td>
</tr>
<tr>
<td>FTSE All World ex Controversies ex CW Index</td>
<td>FTSE All-World Index</td>
</tr>
<tr>
<td>FTSE Developed ex Controversies ex CW Index</td>
<td>FTSE Developed Index</td>
</tr>
<tr>
<td>FTSE Emerging ex Controversies ex CW Index</td>
<td>FTSE Emerging Index</td>
</tr>
<tr>
<td>FTSE Advanced Emerging ex Controversies ex CW Index</td>
<td>FTSE Advanced Emerging Index</td>
</tr>
<tr>
<td>FTSE UK ex Controversies ex CW Index</td>
<td>FTSE UK Index</td>
</tr>
<tr>
<td>FTSE World ex UK ex Controversies ex CW Index</td>
<td>FTSE All-World ex UK Index</td>
</tr>
<tr>
<td>FTSE Developed Europe ex UK ex Controversies ex CW Index</td>
<td>FTSE Developed Europe ex UK Index</td>
</tr>
<tr>
<td>FTSE North America ex Controversies ex CW Index</td>
<td>FTSE North America Index</td>
</tr>
<tr>
<td>FTSE World North America ex Controversies ex CW Index</td>
<td>FTSE World North America Index</td>
</tr>
<tr>
<td>FTSE Developed Asia Pacific ex Japan ex Controversies ex CW Index</td>
<td>FTSE Developed Asia Pacific ex Japan Index</td>
</tr>
<tr>
<td>FTSE Japan ex Controversies ex CW Index</td>
<td>FTSE Japan Index</td>
</tr>
<tr>
<td>FTSE Developed Middle East and Africa ex Controversies ex CW Index</td>
<td>FTSE Middle East &amp; Africa Index</td>
</tr>
</tbody>
</table>

4.2 All companies that are classified as “Excluded Companies” (see Rule 4.4) are excluded from the index series.

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2 Saudi Arabia was assigned Secondary Emerging market status in March 2019. Securities will be eligible for inclusion in the FTSE Global Choice Index Series from February 2020.

China A Shares (available under the Northbound China Stock Connect Scheme) were assigned Secondary Emerging market status beginning in June 2019. Securities will be eligible for inclusion in the FTSE Global Choice Index Series from March 2020.
4.3 Unless stated otherwise these Ground Rules follow the Ground Rules of the FTSE Global Equity Index Series which are available from FTSE Russell or directly from the website at www.ftserussell.com.

4.4 Excluded Companies

4.4.1 FTSE Global Choice Index Series excludes companies based on the impact of their conduct or products on society and/or the environment. There are three product-related exclusion categories and two conduct-related exclusion category. A summary of the exclusion categories is provided below and a more complete version is provided in Appendix A.

4.4.2 Product and activity involvement data are collected from publicly available information by FTSE Russell analysts. Where data is not obtained by FTSE Russell analysts, external sources are used to supplement the data including from Sustainalytics.

4.4.3 All data undergo several layers of quality control including consistency checks over time, sector-relative checks, and knowledge checks. Where discrepancies are found analysts refer to primary data sources.

4.4.4 Where possible, the definitions for the products and activities refer to international standards and agreements such as the Convention on Cluster Munitions, Ottawa Treaty, and the Biological Weapons Convention.

<table>
<thead>
<tr>
<th>Category</th>
<th>Exclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company Conduct</strong></td>
<td></td>
</tr>
<tr>
<td>Controversies</td>
<td>Anti-Corruption</td>
</tr>
<tr>
<td></td>
<td>Environment</td>
</tr>
<tr>
<td></td>
<td>Human Rights</td>
</tr>
<tr>
<td></td>
<td>Labor</td>
</tr>
<tr>
<td>Diversity</td>
<td>Board diversity and equal opportunities practices</td>
</tr>
<tr>
<td><strong>Company Products</strong></td>
<td></td>
</tr>
<tr>
<td>Non-Renewable Energy</td>
<td>Nuclear Power</td>
</tr>
<tr>
<td></td>
<td>Uranium Mining</td>
</tr>
<tr>
<td></td>
<td>Fossil Fuels</td>
</tr>
<tr>
<td></td>
<td>Oil &amp; Gas</td>
</tr>
<tr>
<td>Vice Products</td>
<td>Adult Entertainment</td>
</tr>
<tr>
<td></td>
<td>Alcohol</td>
</tr>
<tr>
<td></td>
<td>Gambling</td>
</tr>
<tr>
<td></td>
<td>Tobacco</td>
</tr>
<tr>
<td>Weapons</td>
<td>Chemical &amp; Biological</td>
</tr>
<tr>
<td></td>
<td>Cluster Munitions</td>
</tr>
<tr>
<td></td>
<td>Anti-Personnel Mines</td>
</tr>
<tr>
<td></td>
<td>Nuclear</td>
</tr>
<tr>
<td></td>
<td>Conventional Military Weapons</td>
</tr>
<tr>
<td></td>
<td>Civilian Firearms</td>
</tr>
<tr>
<td>FTSE Global Choice Index</td>
<td>Conduct</td>
</tr>
<tr>
<td>-------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>FTSE Developed ex Australia ex Non-Renewable Energy /Vice Products / Weapons Index</td>
<td></td>
</tr>
<tr>
<td>FTSE Global All Cap ex US Choice Index</td>
<td>x x</td>
</tr>
<tr>
<td>FTSE US All Cap Choice Index</td>
<td>x x</td>
</tr>
<tr>
<td>FTSE Developed All Cap ex Controversies / Non-renewable Energy /Vice Products / Weapons Index</td>
<td>x</td>
</tr>
<tr>
<td>FTSE Emerging All Cap ex Controversies / Non-renewable Energy /Vice Products / Weapons Index</td>
<td>x</td>
</tr>
<tr>
<td>FTSE Developed Europe All Cap ex Controversies / Non-renewable Energy /Vice Products / Weapons Index</td>
<td>x</td>
</tr>
<tr>
<td>FTSE All World ex Controversies ex CW Index</td>
<td>x</td>
</tr>
<tr>
<td>FTSE Developed ex Controversies ex CW Index</td>
<td></td>
</tr>
<tr>
<td>FTSE Emerging ex Controversies ex CW Index</td>
<td>x</td>
</tr>
<tr>
<td>FTSE Advanced Emerging ex Controversies ex CW Index</td>
<td>x</td>
</tr>
<tr>
<td>FTSE UK ex Controversies ex CW Index</td>
<td>x</td>
</tr>
<tr>
<td>FTSE World ex UK ex Controversies ex CW Index</td>
<td>x</td>
</tr>
<tr>
<td>FTSE Developed Europe ex UK ex Controversies ex CW Index</td>
<td>x</td>
</tr>
<tr>
<td>FTSE North America ex Controversies ex CW Index</td>
<td>x</td>
</tr>
<tr>
<td>FTSE World North America ex Controversies ex CW Index</td>
<td>x</td>
</tr>
<tr>
<td>FTSE Developed Asia Pacific ex Japan ex Controversies ex CW Index</td>
<td>x</td>
</tr>
<tr>
<td>FTSE Japan ex Controversies ex CW Index</td>
<td>x</td>
</tr>
<tr>
<td>FTSE Developed Middle East and Africa ex Controversies ex CW Index</td>
<td>x</td>
</tr>
</tbody>
</table>
Section 5

Sustainable Investment Data Inputs

5.0 SI Data Inputs

The following Sustainable Investment datasets are used in the construction of the FTSE Global Choice Index Series.

5.1 Product activity screening for index exclusions

5.1.1 Product and activity involvement data are collected from publicly available information by FTSE Russell analysts. Where data is not obtained by FTSE Russell analysts, external sources are used to supplement the data including from Sustainalytics.

5.1.2 All data undergo several layers of quality control including consistency checks over time, sector-relative checks, and knowledge checks. Where discrepancies are found analysts refer to primary data sources.

5.1.3 Where possible, the definitions for the products and activities refer to international standards and agreements such as the Convention on Cluster Munitions, Ottawa Treaty, and the Biological Weapons Convention.

5.1.4 Further information as to the definitions can be found in Section 6.

5.1.5 Further details on the use of FTSE Sustainable Investment data can be found in the following guide:

Guide to FTSE Sustainable Investment Data used in FTSE Russell Indexes.pdf

5.2 Controversy monitoring data

5.2.1 Data for the Controversy Monitor is sourced from Reprisk AG and Sustainalytics. The data are subject to regular quality checks to identify discrepancies and ensure accuracy; these checks include trend analysis to assess data quality and detailed review of underlying data for significant changes.

Further details of the use of Reprisk AG, Sustainalytics, and other third party data can be found in the following Guide:

Guide to Third Party Sustainable Investment Data used in FTSE Russell Indexes.pdf
Section 6

Periodic Review of Constituents

6.0 Periodic Review of Constituents

6.1 The FTSE Global Choice Index Series is reviewed quarterly in March, June, September, and December any changes to the status of “Excluded Companies” are applied using data as at the close of business on the Monday 4 weeks prior to review effective date.

6.2 The FTSE Global Choice Index Series is weighted by free float adjusted market capitalisation. The free float adjustments are in line with the corresponding underlying index.
Section 7

Changes to Constituent Companies

7.0 Changes to Constituent Companies

7.1 Intra-review Additions

7.1.1 Where applicable, fast entrants to the underlying index will be eligible for inclusion in the index series at the next quarterly index review.

7.2 Intra-review Deletions

7.2.1 If a constituent is removed from the underlying index (see Rule 4.1), it will be removed from the respective FTSE Global Choice Index. The removal will be concurrent with its removal from its underlying index.

7.3 Intra-review Exclusion Changes

7.3.1 If the exclusion status of an existing constituent of the underlying index changes, membership of FTSE Global Choice Index will be considered at the next index review.
Section 8

Corporate Actions and Events

8.0 Corporate Actions and Events

8.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide for Market Capitalisation Weighted Indexes using the following link:

Corporate_Actions_and_Events_Guide_for_Market_Cap_Weighted_Indices.pdf

A Corporate ‘Action’ is an action on shareholders with a prescribed ex date. The share price will be subject to an adjustment on the ex date. These include the following:

- Capital Repayments
- Rights Issues/Entitlement Offers
- Stock Conversion
- Splits (sub-division) / Reverse splits (consolidation)
- Scrip issues (Capitalisation or Bonus Issue)

A Corporate ‘Event’ is a reaction to company news (event) that may impact the index depending on the index rules. For example, a company announces a strategic shareholder is offering to sell their shares (secondary share offer) – this could result in a free float weighting change in the index.

Where an index adjustment is required FTSE Russell will provide notice advising of the timing of the change.

8.2 Takeovers, Mergers and Demergers

8.2.1 The treatment of takeovers, mergers and demergers can be found within the Corporate Actions and Events Guide for Market Capitalisation Weighted Indexes.

8.2.2 If a new company is added to the underlying index series as a result of a demerger from a constituent company of the FTSE Global Choice Index Series, the company will be concurrently included in the corresponding FTSE Global Choice index.

8.2.3 If an existing constituent of the FTSE Global Choice Index Series is acquired by a non-constituent company of the FTSE Global Choice Index Series, the resulting company will be excluded from the index at the time of the event. The eligibility of the resulting company for inclusion to the FTSE Global Choice Index Series will be assessed at a subsequent review.

8.3 Suspension of Dealing

Suspension of dealing rules can be found within the Corporate Actions and Events Guide.
Section 9

Index Calculation

9.0 Index Calculation

9.1 Prices

9.1.1 The index series uses actual closing mid-market or last trade prices, where available, for securities with local market quotations. Further details can be accessed using the following link:

Closing Prices Used For Index Calculation.pdf

9.1.2 Exchange rates used in the End of Day calculations are WM/Reuters Closing Spot Rates™, collected at 16:00 UK time (further information on The WM/Reuters Closing Spot Rates™ service is available from the WM Company).

9.2 Algorithm

9.2.1 For details on the Algorithm and calculation methods used please refer to the FTSE Global Equity Index Series.

9.3 Calculation Schedule

The index series is calculated Monday to Friday, when one or more of the constituent markets are open, however on 1 January, the indexes may not be disseminated.
## Appendix A: Exclusion Definitions

<table>
<thead>
<tr>
<th>Company Products</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Renewable Energy</strong></td>
<td></td>
</tr>
<tr>
<td>Fossil Fuel Reserves - Coal, Oil &amp; Gas</td>
<td>Companies that own proved or probable reserves in coal, oil or gas.</td>
</tr>
</tbody>
</table>
| Oil and Gas - Production, supporting products and services | Any company owning oil or gas reserves, and any company with primary business activity in  
  • the exploration for and drilling, production, refining and supply of oil and gas products (as defined by the ICB subsector 0533 Exploration & Production)  
  • 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 & Services)  
  • 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)  
  • 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 & Gas) |
| Coal – 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). |
| Nuclear Power - Generation and Uranium Mining | Companies that generate revenues from nuclear power production.  
  This includes:  
  • nuclear power generation  
  • nuclear power plant equipment, components and construction  
  • uranium mining  
  • uranium processing and enrichment |
| **Vice Products** |                                                                                         |
| Adult Entertainment | Companies that produce adult entertainment.  
  This includes:  
  • movies  
  • print publications  
  • online content  
  • live entertainment |
| Alcohol | Companies that produce alcoholic beverages.  
  This includes:  
  • all companies that are classified in the Industry Classification Benchmark (ICB) Subsectors Brewers (3533) and Distillers & Vintners (3535)  
  • companies that are not classified in ICB Subsectors Brewers (3533) and Distillers & Vintners (3535), but that are identified as having activity in these Subsectors |
| Gambling | Companies that provide gambling services.  
  This includes: |
### Tobacco
Companies that produce tobacco products.
This includes:
- all companies that are classified in the Industry Classification Benchmark (ICB) Subsector Tobacco (3785)
- companies that are not classified in ICB Subsector Tobacco (3785), but that are identified as having activity in this Subsector

### Weapons

<table>
<thead>
<tr>
<th>Chemical &amp; Biological Weapons</th>
<th>Companies that produce chemical or biological weapons, or that produce specific and critical parts or services for chemical or biological weapons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cluster Munitions</td>
<td>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.</td>
</tr>
<tr>
<td>Anti-Personnel Landmines</td>
<td>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 Destruction”, or that produce specific and critical parts or services for anti-personnel mines.</td>
</tr>
<tr>
<td>Nuclear Weapons</td>
<td>Companies that produce nuclear weapons systems, or that produce specific and critical parts or services for nuclear weapons systems.</td>
</tr>
<tr>
<td>Conventional Military Weapons</td>
<td>Companies that produce other weapons for military use. This includes: munitions, vehicles designed to carry military weapons (mounted or demountable), weapons delivery systems; including mounting and launching systems as well as targeting and guidance systems</td>
</tr>
</tbody>
</table>

### Firearms
Companies that produce firearms or ammunition for non-military use.
This includes:
- handguns
- shotguns
- rifles
- semi-automatic weapons

### Company Conduct

#### Controversies

<table>
<thead>
<tr>
<th>Anti-Corruption</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment</td>
<td>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.</td>
</tr>
<tr>
<td>Human Rights</td>
<td>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.</td>
</tr>
<tr>
<td>Labor</td>
<td>Controversies related to Principles 3, 4, 5, and 6 of the UN Global Compact, which is derived from the International Labour 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 labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.</td>
</tr>
</tbody>
</table>

### Diversity
<table>
<thead>
<tr>
<th>Diversity</th>
<th>For this criteria an “Excluded Company” will fail to meet two out of three diversity indicators:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Woman/women on the Board</td>
</tr>
<tr>
<td></td>
<td>2. Diversity policies</td>
</tr>
<tr>
<td></td>
<td>3. Diversity management systems</td>
</tr>
</tbody>
</table>
Appendix B: Further Information

A Glossary of Terms used in FTSE Russell’s Ground Rule documents can be found using the following link: Glossary.pdf

Further information on the FTSE Global Choice Index Series is available from FTSE Russell.

For contact details please visit the FTSE Russell website or contact FTSE Russell client services at info@ftserussell.com.

Website: www.ftserussell.com