
New FTSE4Good ESG Ratings to Shine A Light On Corporate Environmental, Social, and Governance Practices

Sydney, Tokyo, Hong Kong, London and New York, 6 April 2011 – A decade after the launch of the ground-breaking FTSE4Good Index Series, FTSE Group, the award winning index provider, today announces the launch of the FTSE4Good ESG Ratings. This new data service provides a comprehensive, transparent and objective system to measure the Environmental, Social and Governance (ESG) practices of over 2,300 public companies worldwide.

There is an increasing awareness that ESG factors are an important component in understanding corporate risks and performance and in the achievement of long-term, sustainable investment returns. In the decade ahead the integration of ESG factors into investment analysis, decision-making and stewardship is expected to increase. Globally, 227 asset owners and 496 asset managers have signed up to the United Nations Principles for Responsible Investment (PRI), thereby committing to integrating ESG considerations into their investment and stewardship approaches.

The FTSE4Good ESG Ratings provide institutional investors with a flexible and granular scoring model which will enable them to understand a company's ESG practices in multiple dimensions;

- Overall ESG rating
- Scores against a broad Environmental, Social and Governance pillar
- Measurement against six ESG criteria themes including; environmental management, climate change, human and labour rights, supply chain labour standards, corporate governance and countering bribery.

The ratings are risk-relative and indicate a company's success at managing its company-specific ESG risks. This means companies with higher ESG risks have more to achieve in order to obtain a high score.

The new FTSE4Good ESG Ratings provide a flexible tool for active portfolio management, manager selection, company engagement, risk management, company research and corporate ESG benchmarking. Active portfolio managers can use the ratings to define an eligible investment universe or apply the ratings to a propriety investment model.

Institutional investors can use the ratings to help them assess their portfolios against ESG themes and their exposure to ESG risks. As more fund managers and asset owners choose to engage with companies as part of their stewardship responsibilities, the ratings can provide them with an independent and objective measure to identify companies with whom they might engage and to track their progress.

The FTSE4Good ESG Ratings criteria are publicly available and follow clearly defined methodology and rules. To ensure their quality and accuracy they are overseen by an independent committee made up of experts from the investment community, academia, the business community, unions and NGOs. Company ratings are re-assessed twice a year by leading research provider, EIRIS.

*"With the launch of the FTSE4Good ESG Ratings we are building on 10 years of FTSE4Good index experience" said **Mark Makepeace, Chief Executive of FTSE Group.** "The new Ratings service provides an easy to use and objective measure of corporate ESG practice and risk. Today we are also highlighting those companies that, based on our Ratings, have leading ESG practices."*

The Rt Hon Vince Cable, Secretary of State, who is a keynote speaker at the event taking place in London this evening to celebrate 10 years of FTSE4Good, said that *"It is crucial for investors to encourage and support long-term thinking in the companies in which they invest. To facilitate this there is a great need for a focus on broader corporate performance, rather than a narrow focus on near term financials. Environmental, social and governance considerations are an important part of this."*

Joanne Segars, Chief Executive of the NAPF, also speaking at the FTSE event tonight welcomed the launch of the FTSE4Good ESG Ratings *“Pension funds naturally have a long-term focus. With the introduction of the Stewardship Code this is highly topical as there is a real need for good data such as this, to use in engagement and dialogue with investee companies.”*

Highest scoring companies in accordance with FTSE4Good ESG Ratings – Global*

Region	Constituent name	Country	Supersector	Overall Rating (Absolute)
Global	Aviva	UK	Insurance	5
Global	Bank Hapoalim	ISR	Banks	5
Global	Vivendi	FRA	Media	5
Global	Westpac Banking Corp	AU	Banks	5
Global	ABB	SWIT	Industrial Goods & Services	4.9
Global	BT Group	UK	Telecommunications	4.8
Global	Capita Group	UK	Industrial Goods & Services	4.8
Global	Diageo	UK	Food & Beverage	4.8
Global	Insurance Australia Group	AU	Insurance	4.8
Global	Koninklijke Philips Electronic	NETH	Personal & Household Goods	4.8
Global	Nokia	FIN	Technology	4.8
Global	Norsk Hydro	NOR	Basic Resource	4.8
Global	RSA Insurance Group	UK	Insurance	4.8

Countries with highest scoring averages in accordance with FTSE4Good ESG Ratings*

Country	Average Overall ESG Rating
Norway	3.73
Netherlands	3.59
Sweden	3.57
Finland	3.31
New Zealand	3.29
France	3.29
Spain	3.24
UK	3.18
Italy	3.17
Switzerland	3.11
Greece	3.06
Denmark	3.01
Belgium	2.98
Germany	2.98
Australia	2.93
Portugal	2.86
Canada	2.81
Global Average	2.76
Austria	2.74
Ireland	2.64

Japan	2.63
USA	2.62
Israel	2.60
Korea	2.31
Singapore	1.91
Hong Kong	1.34

*Please see disclaimer at the end of this release for further information on tables
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Notes to Editors

About FTSE Group

FTSE Group ("FTSE") is a world-leader in the creation and management of indices. With offices in London, Beijing, Dubai, Milan, Mumbai, Hong Kong, Madrid, New York, Paris, San Francisco, Sydney, Shanghai and Tokyo, FTSE works with investors in 77 countries globally. It calculates and manages a comprehensive range of equity, fixed income, real estate, currency and investment strategy indices, on both a standard and custom basis. The company has collaborative arrangements with a number of stock exchanges, trade bodies and asset class specialists around the world.

FTSE indices are used extensively by investors world-wide for investment analysis, performance measurement, asset allocation, portfolio hedging and for creating a wide range of index tracking funds.

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The FTSE4Good Index Series

The FTSE4Good Index Series has been designed to measure the performance of companies that meet globally recognised corporate responsibility standards, and to facilitate investment in those companies. Transparent management and criteria alongside the FTSE brand make FTSE4Good the index of choice for the creation of Responsible Investment products. The index series is now being complemented with the launch of the FTSE4Good ESG Ratings, to provide a broader range of ESG data and services.

The FTSE4Good indices are governed by an independent 'FTSE4Good Policy Committee' which meets in March and September for index reviews. This Committee directs the evolution and development of the criteria for the index series, and approves additions and deletions to the index at reviews in line with the inclusion criteria and index ground rules.

Disclaimer

Companies on this list have been recently assessed ahead of publication. Cases where new information would lead to a higher assessment have been removed. © FTSE & EIRIS 2011. The FTSE4Good ESG Ratings are produced by FTSE International Limited ("FTSE") and Ethical Investment Research Services Limited ("EIRIS") or their agents.

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