



# 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



#### Non-Renewable Energy

**Fossil Fuel Reserves -**  
Coal, Oil & Gas

Companies that own proved or probable reserves in coal, oil or gas.

**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 (ICB Subsectors Oil: Crude Producers 60101010 and Oil Refining and Marketing 60101020)
- the supply of equipment and services to oil fields and offshore platforms, such as drilling, exploration, seismic-information services and platform construction (ICB

	<p>Subsectors Oil Equipment and Services 60101030 and Offshore Drilling and Other Services 60101015)</p> <ul style="list-style-type: none"> <li>the operations of pipelines carrying oil, gas or other forms of fuel (ICB Subsector Pipelines 60101035; 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 Integrated Oil &amp; Gas 60101000)</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 (ICB Subsector Coal 60101040).
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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 45101010 and Distillers &amp; Vintners 45101015</li> <li>companies that are not classified in ICB Subsectors Brewers 45101010 and Distillers &amp; Vintners 45101015, 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 Casinos and Gambling 40501020</li> <li>companies that are not classified in ICB Subsector Casinos and Gambling 40501020, 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 45103010 and Cannabis Producers 20103020</li> <li>companies that are not classified in ICB Subsectors Tobacco 45103010 and Cannabis Producers 20103020, 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 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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