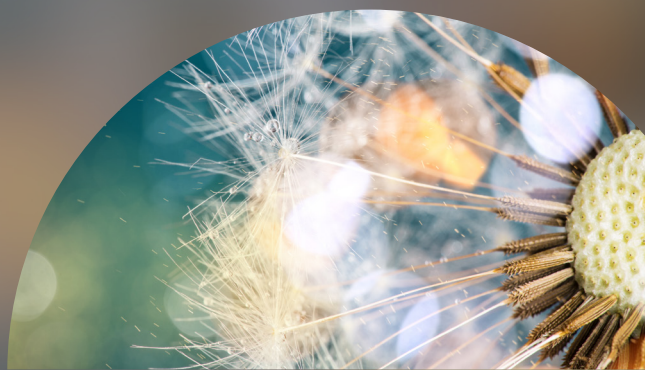
SOLUTION OVERVIEW

FTSE4Good Index Series

Pioneering global ESG indices



Overview

Investors are increasingly incorporating Environmental, Social and Governance (ESG) considerations into core benchmarks and passive investments. FTSE Russell has been at the forefront of innovation in ESG indexing for nearly two decades, since the creation of the FTSE4Good Index Series in 2001, one of the world's first global ESG index families.

Commitment to quality

The FTSE4Good Index Series is a market-leading tool for investors. It also supports investors that wish to encourage positive change in corporate behaviour and align their portfolios with their values.

Benefits

- Engagement with companies on their FTSE4Good assessment; therefore encouraging companies to improve ESG practices
- Aligns ESG values/objectives regarding controversial business activities by excluding or applying strict criteria on companies involved with such activities
- Avoids investing in pure play coal or traditionally excluded sectors such as tobacco and weapons
- Captures a broad universe of companies that are demonstrating strong ESG practices
- Utilises a globally recognised brand in FTSE4Good®

Features

Comprehensive

Includes more than 15 benchmarks, based on the ESG Scores of 8,000 securities in 47 Developed and Emerging markets.

Nearly two decades of data history

There are almost 20 years of index level returns and over that time the ESG assessment process and inclusion criteria has evolved to keep them aligned with industry trends and investor needs.

Aligned with the UN Sustainable Development Goals

Supports alignment with the UN Sustainable Development Goals (SDGs). All 17 SDGs are reflected in the 14 ESG Themes that companies are assessed on in order to be included in the index series.

Precise rules and focus on data

Minimises subjectivity by having clearly defined rules for constructing the indexes and assessing companies.

Transparent methodology

The index and scores methodologies are available to users, so they can determine how a company is assessed. The ESG Scores are based on publicly available data.

External advisory committees

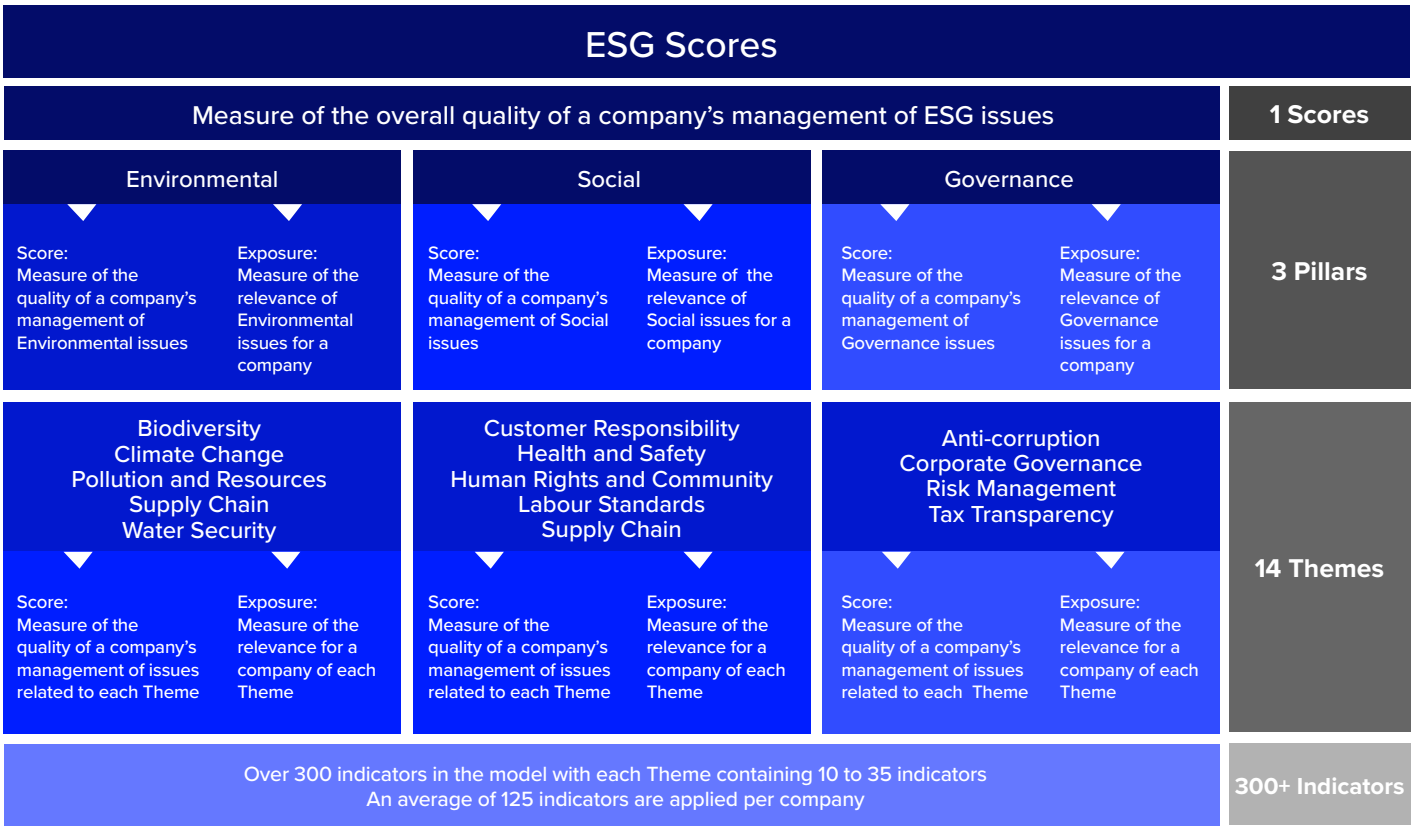
The FTSE4Good Index benefits from the advice of two external advisory committees. The committees provide guidance on the methodology of the FTSE4Good Index and the evolution of FTSE Russell's ESG indices.

FTSE RUSSELL
An LSEG Business

About FTSE Russell's ESG Scores

The FTSE4Good Index Series uses the overall Score from FTSE Russell's ESG Scores and data model to select companies for inclusion. The ESG Scores include 8,000 securities in 47 Developed and Emerging markets.

The ESG Scores are comprised of an overall Score, which is used to adjust stock weights in the FTSE4Good Index Series. The overall Score breaks down into underlying Pillar and Theme Exposures and Scores. The Pillars and Themes are built on over 300 individual indicator assessments that are applied to each company's unique ESG risk exposures.



Aligned with global climate standards

The climate change theme scores and underlying indicators were revised in June 2021 in line with FTSE Russell's work as the data partner of the Transition Pathway Initiative (TPI), a global asset owner led and backed initiative, which assesses companies on their strategy and governance of climate risk.

Index construction process

Starting universe

Start with the market capitalisation weighted underlying index e.g. FTSE Developed Index, FTSE All-Share Index.

Step 1

Constituent selection

The FTSE4Good selection criteria are designed to reflect strong ESG risk management practices. In order to be included in the FTSE4Good Index Series companies must have an overall ESG Score of 3.3 out of 5[1]. This ensures only companies demonstrating strong management of ESG risks are included.

	Developed markets	Emerging markets
Companies newly included in the Index Series	ESG Score of 3.3 or higher	ESG Score of 2.5 or higher
Companies removed from the Index Series	ESG Score lower than 2.7	ESG Score of lower than 2.1

The specific thresholds are outlined in the index ground rules.

Step 1 Step 2

Exclude companies based on controversies and business activities

Companies with exposure to “significant controversies” are not eligible for addition to the Index Series, and in the most extreme cases current index constituents will be deleted.

Manufacturers/producers of:

- Tobacco
- Weapons systems
- Controversial weapons (cluster munitions, anti-personnel mines, depleted uranium, chemical/biological weapons and nuclear weapons)
- Coal (ICB® Subsector)

Step 1 Step 2 Step 3

Publish and Review Index

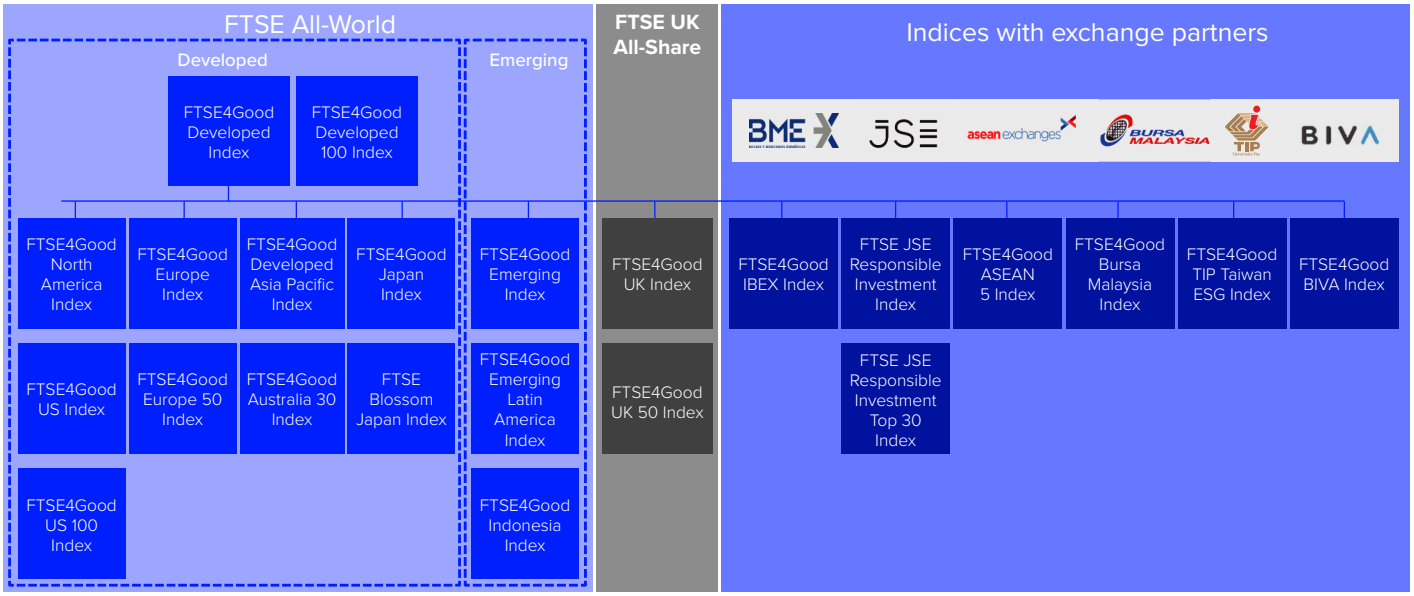
The FTSE4Good Index Series is reviewed semi-annually in June and December.

Any company with a Score that has fallen below the minimum threshold is allowed a 12 month grace period to improve its Score before the company is removed from the index. This incentivises improvements in corporate practices and reduces the index turnover should the company improve, therefore meeting the standards needed.

1 The threshold is lower for Emerging markets to reflect market differences.

A global family of indices

The FTSE4Good Index Series is calculated in real-time and is suitable for creating OTC and on-exchange derivative products as well as ETFs. Values are available on all the major vendor screens.



2001

FTSE4Good
One of the first global ESG index families

2004

FTSE4Good US Select Index created, today used as a benchmark for the largest passive ESG mutual fund

2007

FTSE4Good Environmental Leaders indices introduced, highlighting best in class companies

2012

ESG Scores based on FTSE4Good methodology launched

2013

FTSE4Good Global Minimum Variance Index launched reducing index volatility

2014

Expansion of ESG Scores coverage and methodology and launch of FTSE4Good Bursa Malaysia Index Series

2015

Launch of FTSE JSE Responsible Investment Index Series

2016

Launch of FTSE4Good ASEAN 5 Index and FTSE4Good Emerging Index

Launch of ESG data analytics platform including access to all underlying data

2017

Launch of FTSE Blossom Japan Index

Launch of FTSE4Good TIP Taiwan ESG Index

2018

Launched the FTSE Russell Stewardship, Transition and Engagement Program for Change (STEP Change)

Enhanced the FTSE ESG Scores - water criteria

2019

Launch of the FTSE4Good BIVA Index, FTSE4Good North America Index and FTSE4Good Developed Asia Pacific Index

2020

Launch of the FTSE4Good Indonesia Index

About FTSE Russell

FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner we help investors make better-informed investment decisions, manage risk, and seize opportunities.

Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

Contact us

To learn more, visit lseg.com/ftse-russell; email info@ftserussell.com; or call your regional Client Service team office:

EMEA +44 (0) 20 7866 1810

North America +1 877 503 6437

Asia-Pacific

Hong Kong +852 2164 3333

Tokyo +81 (3) 6441 1430

Sydney +61 (0)2 7228 5659

Disclaimer

© 2026 London Stock Exchange Group plc and its applicable group undertakings ("LSEG"). LSEG includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. "FTSE Canada", (4) FTSE Fixed Income LLC ("FTSE FI"), (5) FTSE (Beijing) Consulting Limited ("WOFE"), FTSE EU SAS ("FTSE EU"). All rights reserved.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, FTSE FI, WOFE, FTSE EU and other LSEG entities providing LSEG Benchmark and Index services. "FTSE®", "Russell®", "FTSE Russell®", "FTSE4Good®", "ICB®", "Refinitiv", "WMR™" "FR™" and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of LSEG or their respective licensors.

FTSE International Limited is authorised as a Benchmark Administrator and regulated in the United Kingdom (UK) by the Financial Conduct Authority ("FCA") according to the UK Benchmark Regulation, FCA Reference Number 796803. FTSE EU SAS is authorised as Benchmark Administrator and regulated in the European Union (EU) by the Autorité des Marches Financiers ("AMF") according to the EU Benchmark Regulation.

All information is provided for information purposes only. All information and data contained in this publication is obtained by LSEG, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical inaccuracy as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of LSEG nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or LSEG Products, or of results to be obtained from the use of LSEG products, including but not limited to indices, rates, data and analytics, or the fitness or suitability of the LSEG products for any particular purpose to which they might be put. The user of the information assumes the entire risk of any use it may make or permit to be made of the information.

No responsibility or liability can be accepted by any member of LSEG nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any inaccuracy (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analysing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of LSEG is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information.

No member of LSEG nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of LSEG nor their respective directors, officers, employees, partners or licensors make any representation regarding the advisability of investing in any asset or whether such investment creates any legal or compliance risks for the investor. A decision to invest in any such asset should not be made in reliance on any information herein. Indices and rates cannot be invested in directly. Inclusion of an asset in an index or rate is not a recommendation to buy, sell or hold that asset nor confirmation that any particular investor may lawfully buy, sell or hold the asset or an index or rate containing the asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

Past performance is no guarantee of future results. Charts and graphs are provided for illustrative purposes only. Index and/or rate returns shown may not represent the results of the actual trading of investable assets. Certain returns shown may reflect back-tested performance. All performance presented prior to the index or rate inception date is back-tested performance. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index or rate was officially launched. However, back-tested data may reflect the application of the index or rate methodology with the benefit of hindsight, and the historic calculations of an index or rate may change from month to month based on revisions to the underlying economic data used in the calculation of the index or rate.

This document may contain forward-looking assessments. These are based upon a number of assumptions concerning future conditions that ultimately may prove to be inaccurate. Such forward-looking assessments are subject to risks and uncertainties and may be affected by various factors that may cause actual results to differ materially. No member of LSEG nor their licensors assume any duty to and do not undertake to update forward-looking assessments.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of LSEG. Use and distribution of LSEG data requires a licence from LSEG and/or its licensors.

FTSE RUSSELL

An LSEG Business

FR3295493/02-26