



FTSE4Good Index Series

SEMI- ANNUAL REVIEW OF THE FTSE4GOOD INDICES

SEPTEMBER 2003

This paper provides the details of the September 2003 FTSE4Good Semi-Annual index review. The FTSE4Good Committee has approved all constituent changes.

Existing constituents who have not met the new FTSE4Good criteria have only been removed after an extensive engagement programme. This programme has been designed to ensure that all affected companies are aware of the requirements, and know what steps they have to take to meet the criteria.

1. INCLUSIONS

As a result of the review, a total of 72 companies are new entrants to the FTSE4Good Index Series. This comprises 69 who met the criteria at this review, and an additional three companies who have been added to the eligible universe of companies since the last review and also meet the criteria. The table below shows the nationality of these 72 companies (see Appendix 1 for their names and sectors).

Country	No Companies	Country	No Companies
Australia	1	Spain	1
France	4	Sweden	1
Germany	1	UK	19
Hong Kong	1	USA	10
Japan	31		
New Zealand	3	Total	72

2. DELETIONS (REMOVALS FROM THE INDEX)

2.1 Companies Not Meeting the Tightened Environmental Criteria

In May 2002, the FTSE4Good Advisory Committee approved changes to the FTSE4Good environmental criteria that companies would be required to meet to qualify for and remain a constituent of the index.

At the last committee meeting in March 2003 the committee approved a revised environmental criteria roll-out plan to provide more time for engagement with non-compliant companies. The implementation deadlines approved are as follows¹:

Company deadline	Committee review	Low Impact	Medium Impact	High Impact²
1st Aug 03	Sept 03	No requirement	Basic policy (to low impact requirement)	Meet medium impact policy/ EMS requirements
1st Feb 04	Mar 04	No requirement	Policy proper	Meet all requirements
1st Aug 04	Sept 04	No requirement	EMS	
1st Feb 05	Mar 05	Policy requirement		

At this review, the following companies have failed to meet the FTSE4Good Environmental Criteria requirements and have therefore been excluded from the Index Series. Medium-impact companies have been excluded for not achieving the requirements for a published environmental policy statement that meets prescribed FTSE4Good standards. High-impact companies have been excluded either because they have not met the policy requirements, or because they do not meet the environmental management system requirements.

Deletions due to not meeting the Environmental Criteria requirements:

Sygen International
The Malcolm Group
The Carphone Warehouse Group
Erste Bank der oesterreichischen Sparkassen
Allied Irish Bank
Marschollek, Lautenschlaeger und Partner (MLP AG)
Mediobanca
Fineco
Gr. Sarantis
Four Seasons Hotels
Macquarie Bank
Wing Tai Holdings
Gunma Bank
Chiba Bank
Central Japan Railway
Fairfax Financial Holdings
Molson
Suncorp-Metway

2.2 Companies Not Meeting New Human Rights Criteria

In February 2003, the FTSE4Good Advisory Committee approved proposed changes to the FTSE4Good human rights criteria. The new criteria were announced in April this year.

At this review, the following companies in the Global Resources Sector have failed to meet the FTSE4Good Human Rights Criteria requirements. The criteria require companies in this sector to have

¹ For the full criteria see <http://www.ftse.com/ftse4good/FTSE4GoodCriteria.pdf>

² Note these are the 24 companies who changed from low to high impact

in place a satisfactory human rights policy and management system, and to report on their performance³.

Deletions due to not meeting the Human Rights Criteria requirements:

Falconbridge
Noranda
Diamond Offshore Drilling
Amerada Hess
Alumina
ConocoPhillips
Cairn Energy

2.3 Companies Not Meeting the Social and Stakeholder Relations Criteria

No current constituents have been removed at this review due to non-compliance with stakeholder relations criteria.

2.4 Exclusions from the Benchmark Universe

There are a number of companies which have fallen out of the FTSE4Good Index Series at this review due to changes in their market capitalisation, which make them ineligible from the starting universe.

There are also a number of exclusions due to changes in the methodology of the base universe for FTSE4Good, the All World Developed Index⁴. As a result of these changes, 21 companies are no longer eligible to be FTSE4Good Constituents as they have been removed from the All World Developed Index, and will therefore be removed from the FTSE4Good Index Series at this review. (However, please note that three of these companies, Four Seasons, Fairfax Financial Holdings, and Sarantis have also been excluded due to not meeting the inclusion criteria).

For more information on these exclusions, please see the technical releases.

³ For the full criteria see <http://www.ftse.com/ftse4good/FTSE4GoodCriteria.pdf>

⁴ Large, medium and small cap companies will be defined on a regional rather than national basis.

APPENDIX 1 NEW FTSE4GOOD INDEX CONSTITUENTS

	Company	Country	Sector	Also new to Eligible Universe
1	Origin Energy	Australia	Oil & Gas	
2	Essilor International	France	Health	
3	Christian Dior	France	Household Goods & Textiles	
4	Sanofi-Synthelabo	France	Pharmaceuticals & Biotechnology	
5	Pechiney	France	Steel & Other Metals	
6	Deutsche Post	Germany	Support Services	
7	Kowloon Motor Bus Holdings	Hong Kong	Transport	Yes
8	NGK Spark Plug Company	Japan	Automobiles & Parts	
9	Toyota Industries Corporation	Japan	Automobiles & Parts	
10	Sumitomo Mitsui Financial Group	Japan	Banks	
11	Mitsubishi Chemical Corporation	Japan	Chemicals	
12	Nippon Shokubai	Japan	Chemicals	
13	Sanyo Chemical Industries	Japan	Chemicals	
14	Tosoh	Japan	Chemicals	
15	Kajima Corporation	Japan	Construction & Building Materials	
16	Sekisui Chemical	Japan	Construction & Building Materials	
17	Tostem Inax Holding	Japan	Construction & Building Materials	
18	Oki Electric Industry	Japan	Electronic & Electrical Equipment	
19	Familymart	Japan	Food & Drug Retailers	
20	Kikkoman	Japan	Food Producers & Processors	
21	Meiji Dairies	Japan	Food Producers & Processors	
22	Nichirei	Japan	Food Producers & Processors	
23	Nippon Unipac	Japan	Forestry & Paper	
24	Oji Paper Company	Japan	Forestry & Paper	
25	Aeon Company	Japan	General Retailers	
26	Tokyo Electron	Japan	Information Technology Hardware	
27	NipponKoa Insurance	Japan	Insurance	
28	Chugai Pharmaceutical	Japan	Pharmaceuticals & Biotechnology	
29	Dainippon Pharmaceutical	Japan	Pharmaceuticals & Biotechnology	
30	Fujisawa Pharmaceutical	Japan	Pharmaceuticals & Biotechnology	
31	Mitsubishi Pharma	Japan	Pharmaceuticals & Biotechnology	
32	Sankyo	Japan	Pharmaceuticals & Biotechnology	
33	Shionogi & Co.	Japan	Pharmaceuticals & Biotechnology	
34	Taisho Pharmaceutical	Japan	Pharmaceuticals & Biotechnology	
35	Hitachi Metals	Japan	Steel & Other Metals	
36	Secom	Japan	Support Services	
37	Mitsui OSK Lines	Japan	Transport	
38	Tokyu Corporation	Japan	Transport	
39	Sanford	New Zealand	Food Producers & Processors	
40	Ports of Auckland	New Zealand	Transport	
41	NGC Holdings	New Zealand	Utilities - Other	
42	Banco Bilbao Vizcaya Argentaria	Spain	Banks	
43	Scania	Sweden	Engineering & Machinery	
44	Johnson Matthey	UK	Chemicals	
45	Crest Nicholson	UK	Construction & Building Materials	
46	Heywood Williams Group	UK	Construction & Building Materials	
47	Tomkins	UK	Engineering & Machinery	
48	Hiscox	UK	Insurance	
49	Aegis Group	UK	Media & Entertainment	
50	GWR Group	UK	Media & Entertainment	
51	Scottish Radio Holdings	UK	Media & Entertainment	
52	Premier Oil	UK	Oil & Gas	
53	The Intercare Group	UK	Pharmaceuticals & Biotechnology	
54	Derwent Valley Holdings	UK	Real Estate	
55	Intec Telecom Systems	UK	Software & Computer Services	
56	iSOFT Group	UK	Software & Computer Services	
57	LogicaCMG	UK	Software & Computer Services	
58	RoyalBlue Group	UK	Software & Computer Services	
59	Countrywide Assured Group	UK	Speciality & Other Finance	
60	Ashtead Group	UK	Support Services	
61	Tribal Group	UK	Support Services	
62	Project Telecom	UK	Telecommunication Services	
63	Bank of America	USA	Banks	
64	Sysco	USA	Food Producers & Processors	
65	3com	USA	Information Technology Hardware	
66	Harris	USA	Information Technology Hardware	
67	Hewlett-Packard	USA	Information Technology Hardware	
68	LSI Logic	USA	Information Technology Hardware	
69	Fox Entertainment Group	USA	Media & Entertainment	
70	Allergan	USA	Pharmaceuticals & Biotechnology	Yes
71	Oracle	USA	Software & Computer Services	
72	Ceridian	USA	Support Services	