



SOLACTIVE AG | VIGEO BELGIUM SA

ETHICAL EUROPE EQUITY INDEX CERTIFICATION STATEMENT 4TH QUARTER 2015

To the Index users,
To the Index provider Solactive AG:

Forum ETHIBEL asbl¹ is appointed by **Solactive AG** to execute independent monitoring and certification of the **Ethical Europe Equity Index** (SOLEEE Index) concerning its conformity with the non-financial aspects of the rulebook and the due diligence of the Index composition process.



Index set-up

Selection universe of constituents. The **Ethical Europe Equity Index** is composed of shares of companies belonging to the Ethibel® Excellence Europe Register, or derived from the ESG research universe of **Vigeo**².

ESG criteria. In both cases, the constituents benefit from a global ESG (Environmental, Social and Governance) score of (i) more than 40/100 and (ii) higher than the sector average, at the date of publication.

Ethical criteria. Constituents that do not belong to the Ethibel Register also: (i) have no significant involvement in activities related to armament, gambling, tobacco and to nuclear activities (more than 5% of turnover) and (ii) are not involved in violations of environmental, labour or human rights standards.

Operational modalities. **Solactive** and **Vigeo** have agreed a script with monthly deliveries of the eligible universe and quarterly updates of the Index composition. At that occasion a review of the possible involvement of the concerned companies in disputable activities or in violations related to the ethical criteria is done. Constituents that do no longer comply with the criteria are excluded of the Index. **Solactive** publishes all Index updates, after audit and certification by **Forum ETHIBEL**.

Certification liabilities

Role of Forum ETHIBEL. **Forum ETHIBEL** solely acts by its role as auditor and certification institute. The Ethibel label is not involved in any way in the assignment.

Meaning and scope. A certificate or a 'declaration of certification' is a written testimony of conformity of a product with its self-imposed rules and regulations and/or quality requirements.

Dedication. A **Forum ETHIBEL** certificate provides evidence that a financial product or instrument is in line with its non-financial criteria and processes as defined by its prospectus, rulebook, and regulations or otherwise stated specifications.

Verification and quarterly revision

Forum ETHIBEL has executed the audit in full accordance with the contractual obligations and determinations.

This certification declaration is based on the Index composition at the Adjustment date of September 29th, 2015 and conformity has been verified against the stated principles and the involved procedures. The reader is referred to the detailed description of the level of involvement and the exclusion thresholds in annex.

All evidence provided by Vigeo on the involved screening and monitoring processes and the related internal management systems regarding thoughtfulness and quality have been checked.

While processing the audit, our additional inquiries were answered by **Vigeo**.

Regarding the Armament criterion, subcategory "Financing of controversial weapons", Forum ETHIBEL urges the Index provider to critically review its level of tolerance.

Company name	Country ticker	Rating sector	ISIN code
Allianz SE	DE	Insurance	DE0008404005
Assicurazioni Generali	IT	Insurance	IT0000062072
Aviva	GB	Insurance	GB0002162385
Casino Guichard	FR	Supermarkets	FR0000125585
Centrica	GB	Electric & Gas Utilities	GB00B033F229
EDP-Energias de Portugal	PT	Electric & Gas Utilities	PTEDP0AM0009
Enagas	ES	Electric & Gas Utilities	ES0130960018
Gas Natural Sdg	ES	Electric & Gas Utilities	ES0116870314
GlaxoSmithkline	GB	Pharmaceuticals & Biotechnology	GB0009252882
Legal & General GRP	GB	Insurance	GB0005603997
Lloyds Banking Group	GB	Diversified Banks	GB0008706128
Munich Re	DE	Insurance	DE0008430026
National Grid	GB	Electric & Gas Utilities	GB00B08SNH34
Nordea AB	SE	Diversified Banks	SE0000427361
Pearson	GB	Publishing	GB0006776081
Red Electrica Corporación	ES	Electric & Gas Utilities	ES0173093115
Rexel	FR	Specialised Retail	FR0010451203
Royal Mail	GB	Transport & Logistics	GB00BDVZYZ77
Scor	FR	Insurance	FR0010411983
Scottish & Southern Energy	GB	Electric & Gas Utilities	GB0007908733
Snam	IT	Electric & Gas Utilities	IT0003153415
Swiss Reinsurance Company	CH	Insurance	CH0126881561
Telefonica	ES	Telecommunications	ES0178430E18
Telenor	NO	Telecommunications	NO0010063308
Teliasonera AB	SE	Telecommunications	SE0000667925
Terna	IT	Electric & Gas Utilities	IT0003242622
Vivendi	FR	Broadcasting & Advertising	FR0000127771
Vodafone Group	GB	Telecommunications	GB00BH4HKS39
Wereldhave	NL	Financial Services - Real Estate	NL0000289213
Zurich Financial Services	CH	Insurance	CH0011075394

Conclusion

With reference to the Adjustment date of June 29, 2015 and based on the above listed audit services, we declare that the **Ethical Europe Equity Index** has been revised in compliance with stipulations of the ESG and ethical criteria and the operational modalities, set out in the Index rulebook.

Forum ETHIBEL advises the Index provider to critically review its level of tolerance regarding the criterion ‘financing of controversial weapons’.



Forum ETHIBEL asbl
Herwig Peeters, General Director
Brussels, September 29, 2015

ⁱ **Forum Ethibel** is a Belgian independent association, created in 1992 and recognized as an expert in rating, independent audits and certification of products and services that meet ESG and ethical standards (www.forumethibel.org)

ⁱⁱ **Vigeo** is a leading European expert in assessing responsible performance. Founded in 2002, Vigeo measures the performance and risks regarding to six domains of corporate social responsibility: environment, human rights, human resources, community impact, market behaviour and corporate governance (www.vigeo.com)

ADDITIONAL RESEARCH ON DISPUTABLE ACTIVITIES AND COMPLIANCE TO ENVIRONMENTAL, HUMAN RIGHTS AND LABOUR STANDARDS

The **Ethical Europe Equity Index** will not include stocks of companies:

1. Having a major involvement in the following activities:
 - A. Armament,
 - B. Gambling,
 - C. Tobacco
 - D. Nuclear
2. Or not complying with:
 - E. The fundamental ILO convention
 - F. The fundamental conventions of the UN about human rights
3. Or having a major involvement in:
 - G. Environmental controversies, allegations or convictions

A more detailed description of the level of involvement and the exclusion thresholds (based on turnover) are the following:

A. ARMAMENT

Sub-category	Description	Major Involvement
Controversial weapons	Production or sale of controversial weapons: anti-personnel landmines, cluster munitions, nuclear and chemical weapons.	>0%
Other offensive products	Production or sale of weapons that are directly designed to kill, wound or destroy (and that are ready to use for those purposes) or essential parts of these weapons. This includes: firearms (including hunting guns), bombs, missiles, torpedoes, combat vehicles, grenades, mines, ammunition, IT systems for weapon control, etc.	>0%
Defensive & auxiliary military products	Production or sale of protection devices and non-essential parts of weapons or parts of military systems (designed for military purpose but that are not usable as weapons by themselves). This includes: spy satellites, landmine detection appliances, rocket or aircraft engines, uniforms, bullet proof jackets, helmets, gas masks, flight simulators.	≥ 5%
Dual-use products/services	Products/services available to non-military users, but which when sold for military use increase military capability. This includes: communication networks for armed forces, radar detectors, computer networks for other purposes than weapon control, parts of vehicles, construction works, maintenance services for vehicles, specialty steel, tents, etc.	never
Financing of controversial weapons	Financing (through non-consolidated participation or loan) of producers of controversial weapons; in terms of % of revenue:	≥ 1%

B. GAMBLING

Sub-category	Description	Major Involvement
Gambling products & services	Organisation of gambling and/or the production of gambling devices. Gambling is defined as any product/service/place that combines a game of chance with exploitation. Gambling devices are for instance: slot machines, table games. Organisation of gambling includes: managing casino's, gambling websites, organising betting on animal, sports and events competition.	≥ 5%
Distribution	Distribution and sales of gambling products or activities (include selling lottery tickets).	≥ 10%

C. TOBACCO

Sub-category	Description	Major Involvement
Production of core tobacco products	Manufacturing of core tobacco products: leaf tobacco (raw material), cigarettes, cigars, hand rolling, pipe snuff and chewing tobacco	>0%
Production of secondary products	Manufacturing of products that do not contain tobacco themselves, but that are specifically developed or manufactured to be used in the manufacturing or consumption of tobacco products. Examples of	≥ 10%

	such products are machines, filters, pipes, cigarette paper and tobacco flavours. (Products such as matches, lighters, packages and adhesives, also used in other contexts than tobacco manufacturing or consumption, are not regarded as tobacco products)	
Distribution	Distribution/sales of core tobacco products described above	≥ 10%

D. NUCLEAR

Sub-category	Description	Major Involvement
Nuclear-related activities	Tailor-made products or services to produce nuclear energy. This includes: design, building, management of nuclear energy plants, including specific research and consultancy services; supply of essential parts (specifically developed for this purpose) of nuclear energy installations or nuclear weapons (first level suppliers); mining, processing or sale of uranium or nuclear fuels; processing or storing of nuclear waste stemming from the exploitation of nuclear energy plants.	> 5%
Semi-nuclear activities	Products/services also available for non-nuclear applications; and non-essential parts of nuclear energy installations. This includes: supply of non-nuclear related services to nuclear installations (examples: maintenance, security, insurance, construction of buildings) or products that are used only indirectly for nuclear energy installations (second level suppliers) (examples: castings, metals, welding equipment, cabling, measurement devices, compressors, filters); deconstruction of nuclear installations and transport, processing and storage of nuclear waste stemming from these activities.	never

E. NON-RESPECT OF ILO CONVENTIONS

Companies must comply with the following fundamental ILO conventions (www.ilo.org):

- 29 Forced Labour Convention, 1930
- 87 Freedom of Association and Protection of the Right to Organise Convention, 1948
- 98 Right to Organise and Collective Bargaining Convention, 1949
- 100 Equal Remuneration Convention, 1951
- 105 Abolition of Forced Labour Convention, 1957
- 111 Discrimination (Employment and Occupation) Convention, 1958
- 138 Minimum Age Convention, 1973
- 182 Worst Forms of Child Labour Convention, 1999

F. NON-RESPECT OF CONVENTIONS ON HUMAN RIGHTS

Companies must comply with the International Bill of Human Rights. This IBHR consists of the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights and its two Optional Protocols. There are 9 core international human rights treaties. Each of these has established a committee of experts to monitor implementation of the treaty provisions by its States parties. Some of the treaties are supplemented by optional protocols dealing with specific concerns.

- International Convention on the Elimination of All Forms of Racial Discrimination (1965)
- International Covenant on Civil and Political Rights (1966)
- International Covenant on Economic, Social and Cultural Rights (1966)
- Convention on the Elimination of All Forms of Discrimination against Women (1979)
- Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (1984)
- Convention on the Rights of the Child (1989). International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990)
- International Convention for the Protection of All Persons from Enforced Disappearance (not yet in force)
- Convention on the Rights of Persons with Disabilities (not yet in force)

G. MAJOR INVOLVEMENT IN ENVIRONMENTAL CONTROVERSIES, ALLEGATIONS, CONVICTIONS

Companies which are the subject of serious environmental controversies or accusations or convictions are excluded. Elements that affect the qualification 'serious' are: the scope of the impact; the frequency of accidents; transparency; corrective measures and compensations; cooperation with the authorities, local communities and the victims; adjustments on the level of environmental management systems.