



FINVEX GROUP SA

FINVEX SUSTAINABLE & EFFICIENT EUROPE 30 INDEX



CERTIFICATION DECLARATION 3rd QUARTER 2019

Forum ETHIBEL is a Belgian association that actively promotes Corporate Social Responsibility (CSR) and Socially Responsible Investing (SRI) to accelerate the transition to a more sustainable society. In this context, Forum ETHIBEL develops products and services **to promote transparent and sustainable behaviour in financial markets**.

A **Forum ETHIBEL certificate** offers the guarantee that the rules imposed by the customer themselves are complied with and offers the advantage to confirm and communicate this to the stakeholders. It concerns the **non-financial criteria** of a product, laid down in its specification.

The basis for this consists of:

- SRI investment criteria that are **detailed, clear and publicly** formulated.
- Minimum criteria related to **labour and human rights, environment and armament**.
- A systematic and **periodic check** of the portfolio.

This Forum ETHIBEL certificate therefore tests the vision and values of Finvex for this product and checks whether it meets the desired quality requirements. This is to ensure that companies and financial institutions have a positive impact on their environment and society.

*To the Index users,
To the Index Sponsor Finvex S.A.,
To the public,*

Forum ETHIBEL asbl is appointed by **Finvex Group**ⁱ to execute independent monitoring and certification of the **Finvex Sustainable & Efficient Europe 30 Index** (FSEURE) concerning its conformity with the non-financial aspects of the rulebook of the Index composition process.

Forum ETHIBEL solely acts as auditor and certification institute. 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.

Index ID

Index set-up

The **Finvex Sustainable Efficient Europe 30 Index** is designed to reflect the performance of a dynamic portfolio of thirty equally weighted equity securities listed on various Europe-wide exchanges. The 30 securities are selected from the Reference universe, which is the **Dow Jones Sustainability Europe Index**.

This is a 'sustainable' universe of European equities, which are subject to a risk assessment with the intention to avoid illiquid, risky stocks and selecting stocks with interesting diversification characteristics.

The "Guidebook: the Finvex Sustainable Efficient Europe 30 Index (Net Return and Price Return)" details the selection methods and is available to clients only. Finvex is the Index Sponsor. S&P Opco is the Calculation Agentⁱ.



Sustainable criteria

The Reference universe is derived of the so-called Corporate Sustainability Assessment (CSA)ⁱ, a sustainability selection process performed by **RobecoSAM**ⁱ, listing equities that provide evidence of the best performance regarding Environmental, Social & Governance Practices ("ESG").

The following two sustainability criteria are applied:

- **ESG-integration:** Systematically consider environmental, social and governance (ESG) in the evaluation of organizations, in addition to traditional financial analysis.
- **Best-in-Class:** Selecting the best performing companies, within each sector, based on their positive ESG performance.



ESG-integration



Best-in-Class

ESG criteria. The "Dow Jones Sustainability Indices Methodology, December 2018"ⁱ provides all details.

Philosophy of DJSI/RobecoSAM. Two guiding principles apply:

- (i) Sustainable business practices are critical to the creation of long-term stakeholder value in an increasingly resource-constrained world;
- (ii) Sustainability factors represent opportunities and risks that competitive companies must address.

Best-in-Class. The best-in-class approach selects sustainability leaders from across all industries based on pre-defined sustainability criteria. Best-in-class means that:

- (i) **No industry is excluded from this index**, with the most sustainable companies in each industry selected for index membership;
- (ii) Companies receive a total sustainability score between 0 and 100 and are ranked against other companies in their industry; (iii) only the **top 20 % of companies from each industry** are included in the Dow Jones Sustainability Europe Index.

Media and Stakeholder Analysis (MSA). The MSA is built into the CSA. MSA includes monitoring of media and stakeholder commentaries and other publicly available information from consumer organizations, NGOs, governments or international organizations to identify companies' involvement to environmental, economic and social crisis situations that may affect their reputation and core business.

Certification

Finvex Group runs a script with monthly deliveries of the eligible universe and of updates of the Index composition. Constituents that no longer comply with the criteria are excluded from the Index. Based on quarterly audits by **Forum ETHIBEL**, **Finvex Group** publishes updated certificates on a quarterly basis on its website.

Verification and quarterly revision

This certification declaration is based on the previous deliveries of the Index composition. The most recent Rebalance date was set on July 2, 2019.

Conformity has been verified against the stated principles and the involved sustainability procedures, which are checked annually (September). All evidence provided by **Finvex** and **Robeco-SAM** on the involved screening and monitoring processes and the related internal management systems regarding thoughtfulness and quality have been checked. While carrying out the audit, our additional inquiries were answered.

The Index composition as at July 2, 2019 is as follows.

Company Name	Rating Sector	ISIN code
ALCON INC	Health Care	CH0432492467
ALSTOM	Industrials	FR0010220475
BRITISH LAND CO PLC	Financials	GB0001367019
CARREFOUR SA	Consumer Staples	FR0000120172
DANONE	Consumer Staples	FR0000120644
DEUTSCHE BOERSE AG	Financials	DE0005810055
DEUTSCHE TELEKOM AG-REG	Communications	DE0005557508
DIAGEO PLC	Consumer Staples	GB0002374006
ENAGAS SA	Utilities	ES0130960018
ESSILORLUXOTTICA	Health Care	FR0000121667
ESSITY AKTIEBOLAG-B	Consumer Staples	SE0009922164
GLAXOSMITHKLINE PLC	Health Care	GB0009252882
IBERDROLA SA	Utilities	ES0144580Y14
KONINKLIJKE AHOLD DELHAIZE N	Consumer Staples	NL0011794037
KONINKLIJKE KPN NV	Communications	NL0000009082
LAND SECURITIES GROUP PLC	Financials	GB00BYW0PQ60
NATURGY ENERGY GROUP SA	Utilities	ES0116870314
NESTLE SA-REG	Consumer Staples	CH0038863350
PEARSON PLC	Communications	GB0006776081
RED ELECTRICA CORPORACION SA	Utilities	ES0173093024
RELX PLC	Technology	GB00B2B0DG97
ROCHE HOLDING AG-GENUSSCHEIN	Health Care	CH0012032048
SMITH & NEPHEW PLC	Health Care	GB0009223206
SODEXO SA	Consumer Discretionary	FR0000121220
SONOVA HOLDING AG-REG	Health Care	CH0012549785
SUEZ	Utilities	FR0010613471
SWISSCOM AG-REG	Communications	CH0008742519
TERNA SPA	Utilities	IT0003242622
UNILEVER PLC	Consumer Staples	GB00B10RZP78
VEOLIA ENVIRONNEMENT	Utilities	FR0000124141

Conclusion

With reference to the Rebalance date of July 2, 2019 and based on the audit services listed above, we declare that the **Finvex Sustainable & Efficient Europe 30 index** has been revised in full compliance with stipulations of the non-financial aspects related operational modalities, a set out in the Index rulebook.

Brussels, August 5, 2019
Forum ETHIBEL asbl



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Sustainability explanation ⁱ

- **CSA Guide**, RobecoSAM has updated its Corporate Sustainability Assessment Methodology in April 2019 (https://assessments.robecosam.com/documents/measuring_intangibles_csa-methodology.pdf).
- **DJSI Methodology**. Dow Jones Sustainable Indices Methodology, July 2019 (<http://us.spindices.com/documents/methodologies/methodology-dj-sustainability-indices.pdf>).
- **Finvex Group** was created in 2009 and is a Brussels based partnership of financial investment experts with academic, investment banking and asset management background. Finvex designs robust financial investment strategies in all asset classes with the focus to reduce investment risks. It combines academic research with advanced and proprietary technology to analyse all types of financial risks. The purpose is to add stability to overall investment portfolios (www.finvex.com).
- **RobecoSAM**. Founded as the first asset manager focused exclusively on Sustainability Investing, SAM was acquired by Robeco Group in 2007. RobecoSAM offers clients a comprehensive range of differentiated and complementary Sustainability Investing solutions (www.robecosam.com).
- **S&P Opco** is a subsidiary of S&P Dow Jones Indices. It is the Index Calculation Agent and publishes the Index level, based on data provided to it by the Index Sponsor.
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