



ETHIBEL

ADVANCING SOCIALLY RESPONSIBLE INVESTING

Ethibel **Sustainability Index**

*combines a sound financial return
with a positive impact on society
by selecting the world's leading companies
in terms of sustainability.*

The CSR company research for this index is
performed by

STOCK STAKE
Corporate Responsibility Research & Advice

The index is maintained and calculated by:

**STANDARD
& POOR'S**

The Ethibel Sustainability Index project = cooperation between professional partners.

ETHIBEL



Ethibel is a leading European screening company in the field of Socially Responsible Investing (SRI). Ethibel, based in Brussels, Belgium, was established in 1992 as an independent, not-for-profit organisation. During the 90s Ethibel developed the so-called "Ethibel Label" for SRI funds or investment portfolios. Based on its research methodology and evaluation, Ethibel selects companies that demonstrate their Corporate Social Responsibility at every level. The Ethibel Label offers investors a visible and reliable quality guarantee.

STOCK AT STAKE



In June 2000, Ethibel founded the limited company Stock at Stake. Stock at Stake, part of the Ethibel Group focuses on CSR research. Since 2001, Ethibel outsourced all its research activities to Stock at Stake.

Clients range from financial institutions, and other screening companies, to individual companies, stakeholder groups, governments and many others (both nationally and internationally).

Stock at Stake is the Belgian representative of SiRI Group (Sustainable Investment Research International), which groups the main European, American and Australian SRI and CSR screening organisations. In this group, Stock at Stake is responsible for examining companies in Belgium, France, Luxembourg, Japan, Hong Kong and Singapore, on the basis of SiRI's methodology and criteria.



(2)

STANDARD & POOR'S



Standard & Poor's has provided independent and objective financial information, analysis and research for over 125 years, and is widely recognised as a leading provider of equity indexes. Standard & Poor's indexes are used by investors around the globe for investment performance measurement and as a basis for a wide range of financial instruments, such as index or tracker funds, deposits, futures, options and exchange-traded investment products. The S&P 500, measuring the U.S. market, is the basis for the world's most actively traded index futures and options contracts. The S&P Global 1200 was created as an extension of the S&P 500. The S&P Global 1200 measures the performance of equities in over 30 markets, within six country or regional indexes: S&P 500 (US), S&P/TSX 60 (Canada), S&P Latin America 40, S&P/TOPIX 150 (Japan), S&P Asia Pacific 100 and S&P Europe 350.

The Ethibel Sustainability Index (ESI) = a financial and a social profit.

The Ethibel Sustainability Index (ESI) provides a comprehensive perspective on the financial performance of the world's leading companies in terms of sustainability to institutional investors, asset managers, banks and retail investors. This set of indexes was first published on June 27, 2002.

The Ethibel Sustainability Index (ESI) groups four regional indexes: ESI Global, ESI Americas, ESI Europe and ESI Asia Pacific. Ethibel has contracted Standard & Poor's to maintain and calculate the Ethibel Sustainability Indexes. The Indexes are designed to approximate the sector weights in the S&P Global 1200, but the selection remains the exclusive responsibility of Ethibel. They are free-float weighted indexes containing the best-in-class companies with respect to sustainability across sectors and regions in Europe, the Americas and Asia Pacific.

World-class CSR research

All the companies in the Index are included in the Ethibel Investment Register. To select its constituents, Ethibel applies its own screening methodology and evaluation. The distinctive characteristics of this methodology originate from the integration of two of the strongest concepts of corporate social responsibility: sustainable development and stakeholder involvement. Sustainable development focuses on the content of the research. All the aspects of the social responsibility of a company, including its social, environmental and economic-ethical policy, are taken into account: the people-planet-profit approach. A specific aspect of the Ethibel research process is the permanent dialogue with all the stakeholders, including the company, at every stage of the research and evaluation process. Ethibel's sustainability approach has been identified by independent research agencies as world-class CSR research.

Ethibel has outsourced its basic research activities to the company Stock at Stake. All the companies selected for the ESI have been screened by Stock at Stake on the basis of the Ethibel methodology.

Solid return

This cooperation results in an Index which contains the leaders in the field of CSR in the world and provides a solid financial return. Based on retrospective calculations by Standard & Poor's, the Ethibel Sustainability Index showed an outstanding performance compared to S&P Global 1200 over the last years. The performance was strong both in a buoyant and a depressed market. This makes the Ethibel Sustainability Index a strong tool for investment with both a financial and a social return.



The Ethibel Sustainability Indexes (ESI)

Ethibel Sustainability Index Global
 Ethibel Sustainability Index Americas
 Ethibel Sustainability Index Europe
 Ethibel Sustainability Index Asia Pacific

1. Best-in-class and best-in-region selection

The Ethibel Sustainability Indexes are divided in four indexes: Global, Europe, the Americas and Asia Pacific. The Ethibel Sustainability Index Global comprises the constituents of the three regional sub-indexes. Standard & Poor's as an index provider maintains and calculates the 'free float adjusted' indexes. Each of the ESI indexes is calculated as price and total return indexes in both USD and EUR giving a total of 16 indexes. The base value for all indexes is 1000 on December 31, 1997. As of December 31, 2002, the Ethibel Sustainability Index Global contains 162 constituents and the market capitalisation totals €2,150 billion.

Regional Allocation, as of December 31, 2002

	MSCI World	DJGI World	S&P Global 1200	ESI Global
Asia Pacific	13%	15%	10%	11%
Americas	58%	58%	62%	57%
Europe	29%	27%	28%	32%

source: MSCI, Standard & Poor's, Ethibel

All the constituents in the Index are included in the Ethibel Investment Register, which is a broader list of sustainability leaders around the world that have passed Ethibel's proprietary screening methodology and criteria. The Ethibel Investment Register was created back in 1992 and aims to select the pioneers and best-of-class companies in their respective sectors and regions throughout the world. About 230 companies are listed in the Ethibel Investment Register.

Market Capitalization, as of December 31, 2002

Amounts in € Billions	ESI Global	S&P Global 1200	Market share in %
Number of Companies	162	1,200	
Number of Countries	19	32	
Total Market Value (unadjusted)	2,431		
Total Market Value (float adjusted)	2,122	13,663	15.53%
Average Company Size	15	13	
Median Company Size	7	5	

source: Standard & Poor's, Ethibel

Ethibel has chosen not to target a defined threshold market capitalization per sector. Based on a fixed set of positive criteria, Ethibel looks for the best-in-sector and best-in-region companies. Ethibel aims at selecting the leading companies with respect to all aspects of sustainability across sectors and regions without softening its screening methodology or evaluation. The four main blocks in the research model – internal social policy, environmental policy, external social policy, economic policy – are given an equal weighting both in rating a company's performance and in the evaluation by an independent committee of experts. (see also sector leaders, infra).

More information about Ethibel's screening methodology and evaluation, as well as Standard & Poor's Index Methodology and Practices, can be found in the Ethibel Sustainability Index Rulebook that can be downloaded from our website as a pdf file (www.ethibel.org).

2. Performance

The Ethibel Sustainability Index performed very well compared to S&P Global 1200 in the last years. The overall performance was rather negative due to the downturn in the financial markets. The figures below are retrospective, except those from the inception date onwards.

Obviously, these figures hold no guarantee for the future performance of the Ethibel Sustainability Index.

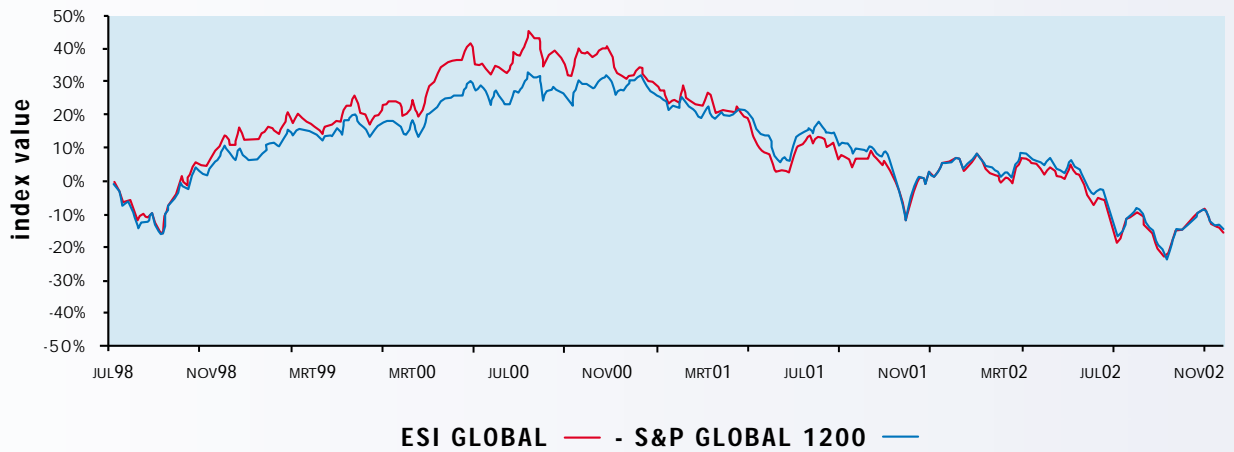
Performance, December 31, 2002

	ESI GLOBAL	S&P Global 1200	ESI AMERICAS	S&P 500	ESI EUROPE (EUR)	S&P Europe 350 (EUR)	ESI ASIA PACIFIC	S&P/TOP IX 150
2Y Return ('00-'02)	-33.34%	-31.63%	-27.70%	-31.35%	-48.28%	-40.82%	-30.56%	-36.76%
1Y Return ('01-'02)	-19.49%	-19.55%	-18.85%	-22.06%	-36.57%	-30.22%	-3.38%	-10.51%
Since inception June 27, 2002	-10.87%	-12.64%	-5.90%	-10.76%	-21.72%	-20.48%	-12.47%	-17.19%
4 Yr Standard Deviation (Monthly)	19.12%	16.84%	19.65%	17.94%	24.25%	18.81%	24.66%	22.54%
4 Yr Standard Deviation (Weekly)	20.05%	18.21%	22.95%	21.00%	25.04%	20.54%	25.24%	24.34%
4 Yr Tracking Error (% pa)		6.06%		7.56%		8.28%		9.36%

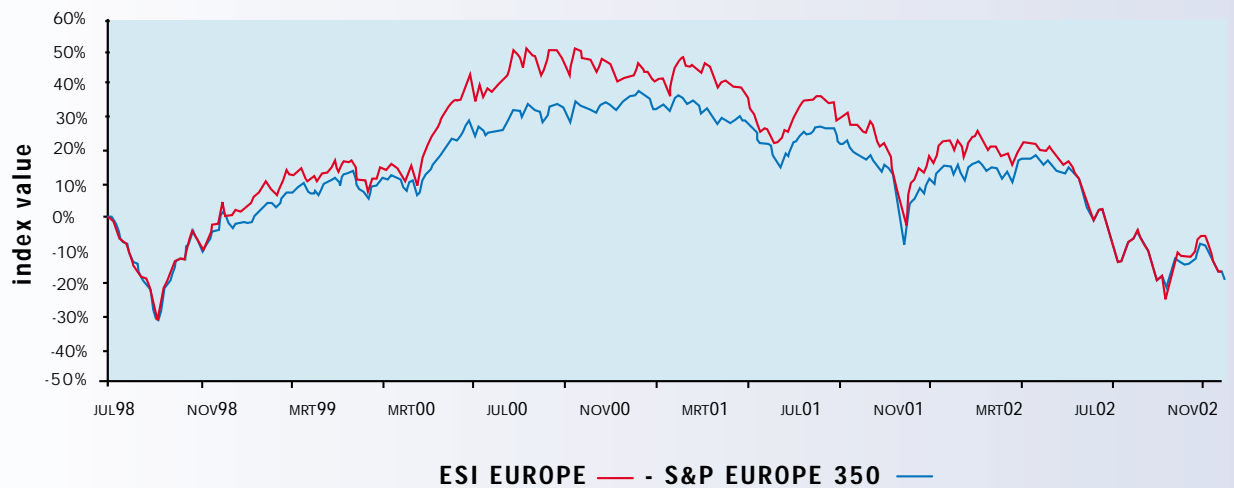
source: Standard & Poor's, Ethibel

Performance of the Ethibel Sustainability Indexes compared with the S&P market indexes, during the 4-year period 1998-2002, and based on the constituents of the Ethibel Sustainability Index as of December 31, 2002.

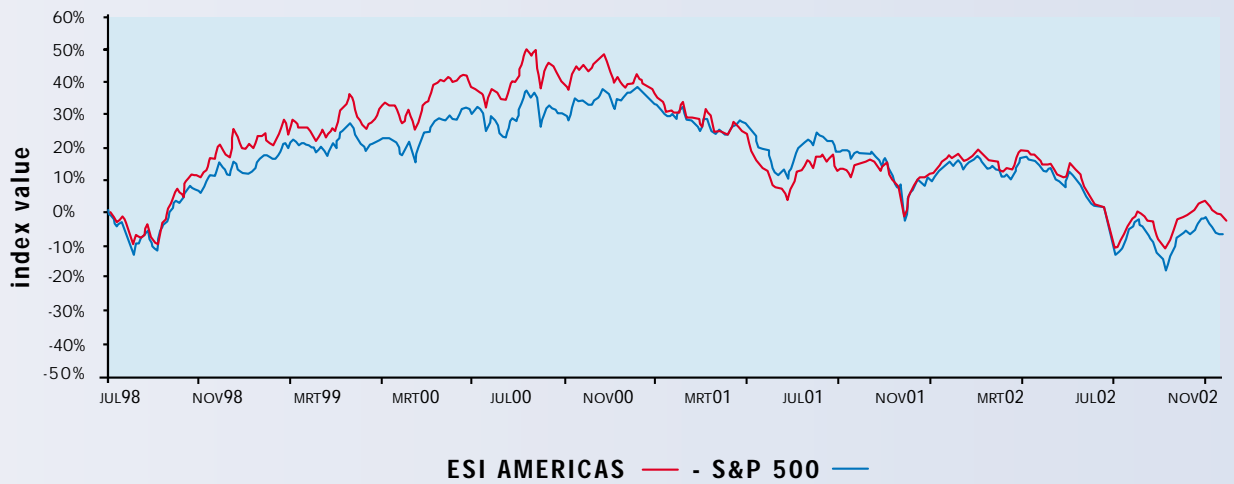
ETHIBEL SUSTAINABILITY INDEX GLOBAL



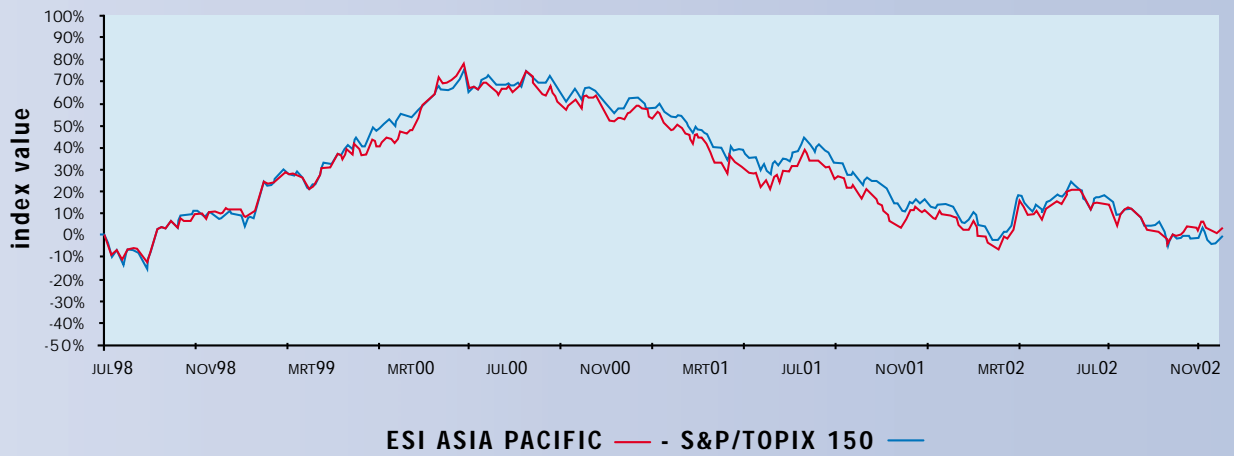
ETHIBEL SUSTAINABILITY INDEX EUROPE



ETHIBEL SUSTAINABILITY INDEX AMERICAS



ETHIBEL SUSTAINABILITY INDEX ASIA PACIFIC



3. Sector leaders

The Global Industry Classification Standard (GICS) defines Consumer Discretionary, Consumer Staples, Financials, Energy, Health Care, Industrials, Information Technology, Materials, Telecommunication Services and Utilities.

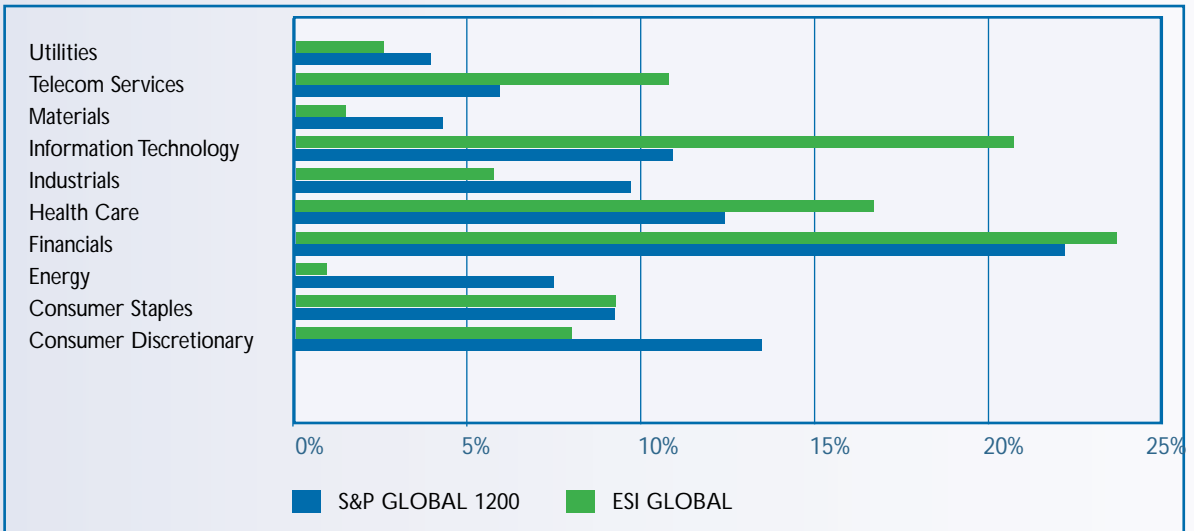
The sample of 10 companies below gives an idea about some sector leaders represented in the Ethibel Sustainability Index Global. The aim is solely to give a grasp of Ethibel's sustainability leaders in some sectors, regardless of market capitalisation and region.

Consumer Discretionary	: Volkswagen
Consumer Staples	: Tesco
Energy	: Statoil
Financials	: Abbey National
Health Care	: Novo Nordisk
Industrials	: Pitney Bowes
Information Technology	: Canon
Materials	: Henkel
Telecom Services	: Deutsche Telekom
Utilities	: Transalta

4. Sector allocation

The Ethibel Sustainability Index applies the same criteria and gives equal weights to company scores on social, environmental and economic criteria, regardless of the type of company or the sector. Different sectors and regions are facing different key CSR issues and the concept of Corporate Social Responsibility changes over time. The research methodology reflects those changes.

Sector Allocation, as of December 31, 2002



source: Standard & Poor's, Ethibel

5. Regional allocation

Country Allocation, December 31, 2002

Market Capitalization			Number of Companies		
Region	Country	Total	Country	Total	
Americas			Americas		
CANADA	2.83%		CANADA	8	
USA	54.02%		USA	41	
Americas Total		56.86%	Americas Total		49
Asia			Asia		
AUSTRALIA	2.17%		AUSTRALIA	4	
HONG KONG	0.23%		HONG KONG	1	
JAPAN	9.02%		JAPAN	29	
SINGAPORE	0.01%		SINGAPORE	1	
Asia Total		11.44%	Asia Total		35
Europe			Europe		
AUSTRIA	0.01%		AUSTRIA	1	
BELGIUM	0.49%		BELGIUM	4	
DENMARK	0.68%		DENMARK	6	
FINLAND	3.61%		FINLAND	1	
FRANCE	2.59%		FRANCE	5	
GERMANY	5.05%		GERMANY	15	
GREAT BRITAIN	11.79%		GREAT BRITAIN	19	
ITALY	1.72%		ITALY	4	
NETHERLANDS	2.63%		NETHERLANDS	7	
NORWAY	0.21%		NORWAY	2	
SPAIN	0.30%		SPAIN	3	
SWEDEN	1.22%		SWEDEN	7	
SWITZERLAND	1.42%		SWITZERLAND	4	
Europe Total		31.71%	Europe Total		78
Grand Total		1.00%	Grand Total		162

source: Standard & Poor's

6. Rebalancing

The Ethibel Register that formed the basis of the Ethibel Sustainability Index was created back in 1992. The register has continued to grow and will do so in the near future.

The turnover of the Ethibel Sustainability Index is very low in terms of company removals due to sustainability screening. Since the inception of the Index in June 2002, only two companies were removed because of a deteriorating performance in terms of sustainability.

On the other hand, we plan to extend the number of companies in the ESI. This will be achieved by continuously screening the different regions and sectors, with a view to selecting the best businesses in the field of social responsibility. In this respect, priority attention is devoted to the sectors and regions which are currently not yet represented as fully as possible in the Index. In addition to these sectoral comparisons, individual companies are also examined with a view to being included in the Index. Increasing the number of constituents will occur only without softening Ethibel's screening methodology and evaluation.

Quarterly reviews are implemented on the third Friday in March, June, September and December to become effective the next trading day.



Ethibel SRI products and services = high quality standards.

The market for SRI is rapidly expanding. More and more financial products are being presented as 'sustainable' or 'ethical', while the underlying social and ethical selection criteria can be of a very different quality. This results in – sometimes almost deliberate – Babel-like confusion. What does 'ethical' or 'sustainable' mean? How can the consumer make a distinction?

In this context, we do not endorse a bland, cheap, 'average' product. Ethibel resolutely opts to continue to invest in the highest SRI quality standard that characterises all its products.

We are convinced that this vision is the best guarantee for sustainable investment in the broadest sense, with not only a financial, but also a social profitability. More than ever, there is a demand today for investment formulas which provide these guarantees. Ethibel provides an answer to this demand, first with the Ethibel Label for SRI funds and now with its sustainability index, both based on a high quality investment register.

Therefore Ethibel will continue to invest in sound sustainability research, in which the contribution of all stakeholders has a central place. Firmly rooted in the NGO world, Ethibel will continue to offer solid products and services to the international SRI community.

The Ethibel Sustainability Index takes this ambition one step further. We strongly believe that the SRI market is ready for a high quality fourth generation SRI investment tool, in which a full people-planet-profit vision and a multi-stakeholder approach are integrated. The Ethibel Sustainability Index guarantees this quality and provides institutional investors, asset managers, banks and retail investors with an indispensable tool for a solid socially responsible investment.

Bert Van Thienen, CEO of Ethibel and Stock at Stake.
June 27, 2002



Ethibel Sustainability Index: a sound financial return with a positive impact on society

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For more detailed information on the functioning of the Ethibel Sustainability Indexes, you can download the ESI Rulebook from our website.

For more background information about Ethibel, please visit our website (available in English, French, Dutch, German and a summary in Japanese): www.ethibel.org

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