



RULES GOVERNING THE  
ETHOS SWISS CORPORATE  
GOVERNANCE INDEX  
SUMMARY VERSION

The **Ethos Foundation** is composed of more than 230 tax-exempt Swiss pension funds and institutions. Founded in 1997, its aim is to promote socially responsible investment and to foster a stable and prosperous socio-economic environment.

*Signatory of:*



**Ethos Services** provides advisory services in the field of socially responsible investments. Ethos Services offers socially responsible investments funds, analyses of shareholders' general meetings with voting recommendations, a program of dialogue with companies as well as environmental, social and corporate governance ratings and analyses. Ethos Services is owned by the Ethos Foundation and several members of the Foundation.

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# Table of Contents

<b>1. INDEX STRUCTURE</b>	<b>4</b>
1.1 THE ETHOS SWISS CORPORATE GOVERNANCE INDEX AND ITS SUB INDEX	4
1.2 SECURITIES UNIVERSE	4
1.3 INDEX OBJECTIVES	4
1.4 STANDARDIZATION	4
1.5 REVIEW OF INDEX CONCEPT AND RULES	4
1.6 TERMINATION OF THE INDEX CALCULATION	5
<b>2. INDEX CALCULATION</b>	<b>6</b>
<b>3. INDEX ADJSUTMENTS</b>	<b>7</b>
3.1 ORDINARY ADJUSTMENTS	7
3.2 EXTRAORDINARY ADJUSTMENTS OF THE EFF	7
<b>4. ORGANISATION</b>	<b>8</b>
4.1 INDEX ADMINISTRATOR	8
4.2 CALCULATION AGENT	8
<b>5. STATIC DATA</b>	<b>9</b>
<b>6. ADDITIONAL INFORMATION</b>	<b>10</b>
6.1 SIX WEBSITE	10
6.2 ETHOS WEBSITE	10
<b>7. REVISION HISTORY</b>	<b>11</b>

# 1. Index structure

## 1.1 THE ETHOS SWISS CORPORATE GOVERNANCE INDEX AND ITS SUB INDEX

The Ethos Swiss Corporate Governance Index (ESCGI) and its sub index, the ESCGI Large, follow the same rules, with the only exception of the securities universe defined below. Therefore, the rules described in this document apply to both the ESCGI and ESCGI Large, each with its corresponding base universe: Swiss Performance Index (SPI) and Swiss Performance Index Large (SPI Large).

## 1.2 SECURITIES UNIVERSE

### 1.2.1 ETHOS SWISS CORPORATE GOVERNANCE INDEX (ESCGI)

The Ethos Swiss Corporate Governance Index (ESCGI) is based on the SPI. Therefore, the ESCGI follows the SPI Rulebook for all matters not described in this document. The Index Rules apply additional inclusion, exclusion or capping procedures as defined below. Stocks in the ESCGI are weighted by free-float market capitalization. In addition, a cap factor determined by Ethos is applied in order to meet the Index objectives.

### 1.2.2 ETHOS SWISS CORPORATE GOVERNANCE INDEX LARGE

The Ethos Swiss Corporate Governance Index Large (ESCGI Large) is based on the SPI Large. Therefore, the ESCGI Large follows the SPI Rulebook for all matters not described in this document. The Index Rules apply additional inclusion, exclusion or capping procedures as defined below. Stocks in the Ethos Index are weighted by free-float market capitalization. In addition, a cap factor determined by Ethos is applied in order to meet the index objectives.

## 1.3 INDEX OBJECTIVES

Ethos' objective is to address some of the governance risks (by reducing them) which are generally not taken into account in most benchmarks. The ESCGI is reviewed annually to take into account changes that may have occurred in the governance structure of the companies of the base universe. Overweighting and underweighting have to be understood compared with the base universe (SPI Index or SPI Large) and at the time of the annual review of the Ethos Final Factors (EFFs). The index objectives intend to:

- Reduce the corporate governance risks by underweighting or excluding companies that do not apply best governance practices (according to Ethos' guidelines)
- Reduce the carbon impact of the index by underweighting companies with significant carbon emissions
- Underweight companies that have a severe controversy and avoid overweighting companies that have a serious controversy (according to Ethos' methodology)
- Avoid overweighting companies that have a weight above 10% in the base universe at the time of the annual review of the EFFs
- Overweight companies that are not falling into one of the categories above.

## 1.4 STANDARDIZATION

The ESCGI is standardized on close of 27 January 2017 with an initial value of 100.

The ESCGI Large is standardized on close of 29 November 2019 with an initial value of 1000.

## 1.5 REVIEW OF INDEX CONCEPT AND RULES

The validity of the index concepts and rules is reviewed on a regular basis. In exceptional cases a broad market consultation can be conducted by Ethos. The changes to the index rules are publicly announced with appropriate lead time (usually 3 months).

## **1.6 TERMINATION OF THE INDEX CALCULATION**

A decision to discontinue will be publicly announced by Ethos with appropriate lead time.

If Ethos is aware of existing financial products linked to the index, a market consultation is conducted in advance and a transition period is introduced before the definitive termination.

## 2. Index calculation

This section is reserved for customers. Please contact Ethos for more information:

Ethos

1, Place de Pont-Rouge

Case Postale 1051

CH-1211 Genève 26

Email: [gestion@ethosfund.ch](mailto:gestion@ethosfund.ch)

Phone: +41 (0)58 201 89 89

# 3. Index adjustments

## 3.1 ORDINARY ADJUSTMENTS

### 3.1.1 INDEX REVIEW

The review of the EFFs is implemented annually on the third Friday in September (after close of trading), simultaneously to the official implementation of the annual SPI Index review.

The announcement of the new components and capping factors occurs before market opening five trading days before the mentioned Friday - usually Monday.

### 3.1.2 CORPORATE ACTIONS AND DIVIDENDS

Corporate Actions and Dividends are adjusted as described in the SPI Rulebook.

## 3.2 EXTRAORDINARY ADJUSTMENTS OF THE EFF

In order to meet the index objectives defined in section 1.3, Ethos reserves the right in exceptional situation to amend the EFF of one or several constituents of the Index or of the base universe. Exceptional situation may include, among others but not limited to, mergers, spin offs, important change or announcement that may impact the EFF under the rules defined in the full rulebook available upon request from Ethos.

The calculation and announcement of the new EFFs will generally take place five trading days, but no less than one trading day, prior to the implementation in the index.

When a new company added to the SPI is the result of a spin off from an existing ESCGI constituent, Ethos triggers an extraordinary adjustment and calculates a new EFF for the new component which reflects either a new assessment including a new initial Ethos Factor and the derived EFF or a neutral approach, that is the same EFF as the one of the mother company. As a general rule, if a corporate action does not materially affect the corporate governance of the securities involved in the event, the required extraordinary adjustment targets a neutral impact on the EFFs of the involved companies applied to all involved components to minimize the turnover of the ESCGI.

# 4. Organisation

## 4.1 INDEX ADMINISTRATOR

The index is administered by Ethos. Ethos is responsible for the data sourcing and calculation of the EFFs.

**Any requests with respect to the index administration may be directed to the following address:**

Ethos  
1, Place de Pont-Rouge  
Case Postale 1051  
CH-1211 Genève 26

Email: [gestion@ethosfund.ch](mailto:gestion@ethosfund.ch)  
Phone: +41 (0)58 201 89 89

## 4.2 CALCULATION AGENT

SIX is the Calculation Agent of the Ethos Index. SIX ensures the correct calculation on its systems according to market standards.

**Any requests with respect to calculation of the indices may be directed to the following address:**

SIX  
Pfingstweidstrasse 110  
CH-8021 Zurich

Email: [indexsupport@six-group.com](mailto:indexsupport@six-group.com)  
Phone: +41 (0)58 399 21 11



# 5. Static data

<b>NAME</b>	<b>SYMBOL</b>	<b>SECURITY NAME</b>	<b>ISIN</b>
Ethos Swiss Corporate Governance Index (Price)	ESCGIP	34238795	CH0342387955
Ethos Swiss Corporate Governance Index (Total Return)	ESCGIT	34238796	CH0342387963
Ethos Swiss Corporate Governance Index Large (Price)	ESCGLP	50718569	CH0507185699
Ethos Swiss Corporate Governance Index Large (Total Return)	ESCGLT	50718587	CH0507185871

# 6. Additional information

## 6.1 SIX WEBSITE

SIX webpage on the Ethos Swiss Corporate Governance Index:

<https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/indices/customized-indices/ethos-swiss-corporate-governance-index.html>

SIX Index Data Center (login required to download current and historical composition data):

[https://indexdata.six-group.com/customer/ethos\\_ch\\_corp\\_gov.html](https://indexdata.six-group.com/customer/ethos_ch_corp_gov.html)

SIX index adjustments and announcements:

[https://indexdata.six-group.com/adjustments\\_equity.htm](https://indexdata.six-group.com/adjustments_equity.htm)

## 6.2 ETHOS WEBSITE

Ethos webpage on the Ethos Swiss Corporate Governance Index:

<https://www.ethosfund.ch/en/ethos-indices>

Ethos principles for socially responsible investment:

[https://www.ethosfund.ch/sites/default/files/2023-11/2022\\_Principes\\_Ethos\\_pour\\_ISR\\_EN\\_A4\\_FINAL\\_fixe\\_d.pdf](https://www.ethosfund.ch/sites/default/files/2023-11/2022_Principes_Ethos_pour_ISR_EN_A4_FINAL_fixe_d.pdf)

Ethos general publications:

<https://www.ethosfund.ch/en/publications>

# 7. Revision history

VERSION / DATE	DESCRIPTION
2.00 / 27.11.2019	Addition of the ESCGI Large as a Sub Index
2.10 / 06.09.2023	Downgrade of companies with a severe controversy (section 2.2.1) Threshold adjustment from 15% to 10% to avoid overweighting of already large issuers (section 2.2.2) Ethos address change (section 4.1)
2.11 / 11.01.2024	Update of SIX index data center links and regrouping of all website links in new section "Additional information"

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