

ETHICAL INVESTMENT CODE

ETHIAS SA

Version of January 1st 2018
(cancels and replaces the previous versions)

1. Introduction

The Ethias Group (see definition in point 3) develops an ongoing dynamic policy of Corporate Social Responsibility (CSR) in all its businesses, respecting the values that inspire the group: Ethics, Humanism, Commitment and Proximity. In its societal approach, Ethias promotes the following principles:

- priority to people and work over of capital;
- service to the members or the community rather than profitseeking;
- democratic decision-making and self-management.

Therefore the Ethias Group considers it useful and necessary to provide an accurate, ethical and transparent approach in the management of its financial transactions.

2. Commitments

The Asset Management Direction of Ethias SA commits itself to make all financial officers respect, in all direct investments executed on one's account or on account of the Group, the prohibition to invest in government bonds of the countries mentioned in the attached list as well as in shares and corporate bonds mentioned in the attached list of enterprises. Besides, all counterparties and intermediaries of the Asset Management Department will be requested to take note of the following principles which constitute this Ethical Investment Code.

The Ethical Investment Code is updated annually. The selection of the securities mentioned in the lists was operated and validated by the Ethical Investment Committee of Ethias. This Committee is composed of the CFO, the Head of Corporate Office, the manager and assistant manager in charge of the working group on CSR (internal and transversal committee), the financial representative within this working group on CSR and a legal expert. This Ethical Investment Code is sent to the Executive Committee of Ethias SA for approval and then to the Ethics Committee (internal national body jointly composed of representatives of the employees and of the management) for examination and advice.

The Ethical Investment Committee strives for best practices in terms of ethical and sustainable development, with a permanent learning commitment and the will to progressively broaden the application field. Proof lies in the integration of ecological, social and governance criteria (ESG) when establishing our lists of prohibited investments. Moreover, since 2017, we exclude coal from our investments because this is the fossil fuel that contributes the most to global warming.

3. Scope of our ethical management

The scope of our ethical management applies to the Ethias Group, consisting of Ethias SA, Vitrufin SA, Ethias Droit Commun AAM (Ethias Droit Commun AAM which will become EthiasCo SCRL at the end of December 2017, subject to the approval of the General Assembly) as well as the associated entities, in any manner, provided that the latter have entrusted the financial management of their assets to Ethias SA. It is specified that the scope of our ethical management also applies to the entities associated through a management mandate within the framework of the direct investments.

The investments in external funds which are not managed by Ethias SA are not subject to this code (Ethias cannot impose this code).

4. Analysis of the cover

The table below mentions per asset class whether it is included or not in the scope of the criteria mentioned in this document.

| Class | |
|--|--|
| I. Land and buildings | Beyond the perimeter because of their nature |
| II.1 Associated enterprises | Within the perimeter: respected in first line (level issuer/counterparty) |
| II.2 Other enterprises with participating interest | Within the perimeter: respected in first line (level issuer/counterparty) |
| III.1 Shares, participations and other variable yield securities | Within the perimeter when it concerns direct investments and beyond the perimeter when it concerns indirect investments (funds) which are not managed by Ethias (we cannot impose our code to other investors) |
| Direct | |
| Indirect (funds) | |
| III.2 Bonds and other fixed income securities | Within the perimeter when it concerns direct investments and beyond the perimeter when it concerns indirect investments (funds) which are not managed by Ethias (we cannot impose our code to other investors) |
| Corporate - direct | |
| Corporate - indirect (funds) | |
| Governments | |
| Covered | |
| Other bonds | |
| III.3 Mortgage loans and mortgage credits | Beyond the perimeter because of their nature |
| III. 4 Other loans | Within the perimeter |
| III.5 Deposits with credit institutions | Within the perimeter: respected on the counterparty level (excluding collateral management) |
| III.6 Others (derivatives) | Within the perimeter: respected on the level of the underlying element (for derivatives) |
| IV. Deposits with ceding enterprises | Beyond the perimeter because of their nature |

5. Criteria of our ethical management

Two types of criteria are applicable within the framework of our ethical management: one for shares and corporate bonds and the other one for government bonds.

5.1 *Shares and corporate bonds*

Ethias SA has asked Vigeo Eiris Rating (<http://www.vigeo-eiris.com>) to establish a list of enterprises which are not in line with the 10 principles of the Global Compact of the United Nations regarding the human rights, the right to work, environment and fight against corruption (<https://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>) and/or which are involved in controversial armament and/or which are involved in coal (as defined in point 5.1.1.5.). These excluding conditions were transposed in screening criteria of Vigeo Eiris and this throughout their entire universe.

5.1.1. Ethical principles which are respected

In accordance with the values of Ethics and Humanism promoted by the Ethias Group, no direct investment can be done, to be socially responsible, in enterprises which, for the criteria identified in the points 5.1.1.1., 5.1.1.2. and 5.1.1.3 below

- are confronted with frequent and severe controversies for the analysis period¹ and

¹. Vigeo Eiris' database covers any controversy with minor or significant severity during 24 months after the last event identified and during 48 months for controversies with high or critical severity.

- do not report transparently about these controversies and/or the implemented corrective measures.

Furthermore, all investments in controversial armament (point 5.1.1.4.) as well as in coal (point 5.1.1.5.) are prohibited.

5.1.1.1. Human rights and right to work

Respect of the fundamental rights within the company (as a whole, in other words on and outside of the workplace) and prevention of the violation of these rights

- respect of the private life
- respect of the right to security and the safety of people
- respect of the right to property
- prevention of cruel, inhuman and degrading treatments
- prevention of situations or acts of complicity regarding to the violation of the human rights

Respect of the trade union freedom and of the right to collective bargaining

- the right of employees to found trade union organisations and the right to join them
- free exercise of trade union rights
- the right to join trade union associations, local, regional or international federations and confederations
- respect of the right to strike
- facilities granted for the exercise of trade union rights
- protection against interference or anti-union discrimination
- respect of the right to collective bargaining
- promotion of the right to collective bargaining, especially the information given to the representatives of the employees

Non-discrimination on the workplace (regarding the work conditions, professional training, promotion, remuneration and other profits)

The identified main grounds of discrimination are:

- Gender
- Nationality, ethnic origin, race
- Religion
- Social origin
- Political opinion
- Age
- Medical condition
- Handicap
- Sexual orientation
- Family responsibility

Elimination of the prohibited labour practices

Abolition of child labour and/or abolition of forced labour.

Commitments in favour of the economic and social development of the settlement area

The engagement of the enterprise to contribute in a sustainable way to the economic and social progress of the host areas through the optimisation of the local economic benefits linked to the activity of the enterprise: local investments, policy regarding the promotion of local employment, transfer of technologies and competences and taking into account the impact of the restructuring on the local labour market. This criterion is particularly relevant for the analysis of the behaviour of enterprises with great influence on the local labour market.

The integration of social factors in the supply chain

The integration by the enterprise of social standards in its purchasing process (suppliers and subcontractors) which are particularly related to:

- the freedom of association and the right to collective bargaining
- the abolition of child labour

- the abolition of forced labour
- non-discrimination
- hygiene and security
- decency of wages
- working hours
- ...

5.1.1.2. Environment

- Taking into account the risks of accidental pollution and soil pollution imputable to the enterprise
- Prevention of the risks of damage to biodiversity and the way enterprises manage animal tests
- Control of the impact on water: reduction in water use and measures implemented by the enterprise to improve, to reduce and to treat draining (if relevant)
- Control and improvement of waste management: reduction, management, valorisation...
- Integration of ecologic factors in the supply chain related to the production and distribution of the products or services by the suppliers and subcontractors concerned. The integration of ecologic factors in the purchasing process covers the whole of the business relation with the suppliers and the subcontractors.

5.1.1.3. Anti-corruption

Prevention of all forms of corruption and conflicts of interest.

Are prohibited:

- Bribes,
- Gifts and invitations,
- Extortion,
- Fraud,
- Misappropriation,
- Money laundering,
- Conflicts of interest,
- Illegal financing of political parties (in accordance with the national regulations).

The reference texts for all these criteria come from standards, conventions and treaties issued by organisations such as the ILO, the UN, the OECD, the EU, the WTO or UNESCO. These references are internationally recognized.

5.1.1.4. Controversial armament

It concerns the identification of the enterprises (as well as their subsidiaries/joint venture) which are involved in the production or sales of controversial weapons or their key components. The types of controversial weapons covered are forbidden or controlled by international treaties, such as the Anti-Personnel Mine Ban Convention or the Convention on Cluster Munitions, or are otherwise subject to stakeholder criticisms and campaigns (depleted uranium and white phosphorus weapons). The controversial weapons covered are :

- Anti-personnel mines
- Cluster Munitions
- Weapons of Mass destruction :
 - Nuclear weapons
 - Chemical weapons
 - Biological weapons
- Non-detectable fragments weapons
- Incendiary weapons,
- Blinding laser weapons
- Depleted uranium weapons
- White phosphorus weapons

5.1.1.5. Coal

It concerns the identification of enterprises which are involved in the extraction of qualities of coals collectively termed thermal coal – or ‘steam’ or ‘energy’ coal – because they are mainly used as fuel for power generation. These coals include lignite and sub-bituminous coals. Metallurgical coals used in the production of steel, such as hard coal or anthracite, are not covered. Harder quality grades of coals are included only in those cases in which it is clear that they are being supplied as thermal coals, i.e. for power generation and not steel-making or other uses. Ethias will exclude from investment those companies deriving 5 % or more of their revenues from thermal coal.

5.2. Government bonds

For the black list of countries we maintain two concepts:

- the fiscally advantageous countries
- the less quoted countries based on the environmental, social and governance dimensions as defined by Vigeo Eiris.

5.2.1. Fiscally advantageous countries

All the countries on the list of "**fiscally advantageous countries**" as referred to in the Income Tax Code 1992² are prohibited. When a country is withdrawn from the list, it will not automatically be added to the list of authorized countries. A demand must be submitted to the Strategic Investment Committee in accordance with the investment policy of Ethias SA.

5.2.2. Countries that are the least respectful of international standards in terms of human rights, workers' rights and environmental protection

The objective is to not invest in those countries that are the least respectful of internationally recognised Human Rights, Workers' Rights and Environmental Conventions.

Of the 176 countries included in Vigeo Eiris' "Sovereign Sustainability Rating", the last quartile of the worst performing countries as to the following analysis criteria is excluded :

In terms of the **Environmental dimension** :

- Participation in international environmental conventions (such as the UNFCCC, the Paris Agreement, the Cartagena Protocol to the Convention on Biological Diversity,...)
- Mitigation of and adaptation to Climate Change
- Reduction of Air Emissions
- Protection of water resources
- Protection of Biodiversity
- Transition to green growth

In terms of the **Social dimension** :

- Promotion of social protection (poverty, social inequality and unemployment)
- Promotion of education (public education expenditure, level of primary and secondary school education, literacy rate)
- Promotion of public health (child and maternal mortality rate, nutrition, access to water, HIV, malaria and tuberculosis rates)
- Promotion of gender equality
- Infrastructure management
- Participation in international solidarity

² Source: chapter III of the RD/TIC92, article 179 - list of States without taxation or with a very low taxation as referred to in article 307, § 1, section 5, b of the Tax Income Code 1992.

- Level of population's safety and security (crime rates and participation in controversial weapons conventions)

In terms of **Governance dimension**:

- The respect, promotion and protection of civil rights through the participation in International Human Right Conventions, International Conventions on labour rights (such as the ILO core conventions) and International Conventions on the prevention of discrimination
- The promotion of democracy and stability (indicators related to political freedom and stability, control of corruption, independence of justice, market regulation and press freedom)

6. Desinvestment criteria

If, when updating the Ethical Investment Code, new names appear which are held in the portfolio, the following policy will be applied:

- the shares may be held as long as the stock market price is below the acquisition price
- the bonds may be held to maturity in order to fulfil their obligations in terms of yield and asset/liability management ("ALM").

However, the acquisition of new positions of the security involved is strictly forbidden.

Taking into account the dispositions mentioned in the points 5.1.1.1., 5.1.1.2., 5.1.1.3., 5.1.1.4., 5.1.1.5. for the enterprises and the points 5.2.1, 5.2.2. for the countries, the two lists attached constitute the list of direct investments which are prohibited for Ethias SA.

This list will apply from 1 January 2018 and can be revised at any time by Ethias SA.

**List of the forbidden direct investments
Attachment to the Ethical Investment Code Ethias SA**

Black List Enterprises

| ISIN code | Name of the Enterprise |
|--------------|--|
| US0028241000 | Abbott Laboratories |
| ID1000111305 | Adaro Energy |
| US00766T1007 | AECOM |
| US0078001056 | Aerojet Rocketdyne |
| ROAROBACNOR1 | Aeroteh |
| CNE100000Q43 | Agricultural Bank of China |
| NL0000235190 | Airbus |
| GB00B1XZS820 | Anglo American (UK) |
| ZAE000043485 | AngloGold Ashanti |
| | Arab Organization for Industrialization |
| US0393804077 | Arch Coal |
| IL0005870147 | Aryt Industries Ltd |
| TRAASELS91H2 | Aselsan Elektronik Sanayi Ve Ticaret |
| ID1000122807 | Astra International |
| | Aviation Industry Corporation of China |
| | Avibras Industria Aeroespacial SA |
| GB0009697037 | Babcock International Group PLC |
| GB0002634946 | BAE Systems |
| IT0005218752 | Banca Monte Dei Paschi Di Siena |
| ES0113900J37 | Banco Santander |
| TH0148010R15 | Banpu Public Co Ltd |
| | Bechtel |
| INE258A01016 | Bharat Earth Movers Limited |
| INE263A01024 | Bharat Electronics Limited |
| AU000000BHP4 | BHP Billiton (Australia) |
| GB0000566504 | BHP Billiton (UK) |
| DE0005190037 | BMW |
| US0970231058 | Boeing |
| GB0007980591 | BP |
| US05605H1005 | BWX TECHNOLOGIES |
| US12541KAD81 | CH2M Hill |
| US8085131055 | Charles Schwab Corp. |
| US1651671075 | Chesapeake Energy Corp. |
| US1667641005 | Chevron Corporation |
| CND100006HP7 | China Aerospace Science & Technology Corporation |
| CNE100000528 | China Coal Energy Co. Ltd. |
| | China National Precision Machinery Import and Export Corporation |
| CND100003805 | China North Industries (Norinco) |
| CNE1000002Q2 | China Petroleum and Chemical Corporation (Sinopec) |
| | China Poly Corp Group |
| HK0836012952 | China Resources Power Holdings Co. Ltd. |
| CNE1000002R0 | China Shenhua Energy Co. Ltd. |
| | China Shipbuilding Industry Corporation |
| XS0181673798 | City of Rome |
| KYG2352X1262 | CNNC International Limited |
| INE522F01014 | Coal India Ltd. |
| | Cockerill Maintenance & Ingénierie |
| US20825C1045 | ConocoPhillips |
| US20854P1093 | Consol Energy Inc. |
| FR0000053399 | Constructions Industrielles de la Méditerranée |

| | |
|---------------|---|
| CH0012138530 | Credit Suisse Group |
| DE0007100000 | Daimler |
| FR0000121725 | Dassault Aviation |
| | Day & Zimmerman |
| DE0005140008 | Deutsche Bank |
| US25179M1036 | Devon Energy |
| PHY2088F1004 | DMCI Holdings Inc. |
| | DMD Group |
| KR7000150003 | Doosan Corporation |
| US2641471097 | DUCOMMUN INC |
| IL0010811243 | Elbit System Ltd. |
| US29286C1071 | Engility Holdings |
| IT0003132476 | ENI |
| ZAE000084992 | Exxaro Resources Ltd. |
| US30231G1022 | Exxon Mobil |
| US30303M1027 | Facebook |
| US3434121022 | Fluor |
| US3453708600 | Ford Motor Co. |
| US3695501086 | General Dynamics |
| XS0223792085 | GENERALITAT DE VALENCIA |
| CNE1000006R1 | Guangdong Orient Zirconic |
| KR700088K015 | Hanwha Group |
| KR7012450003 | Hanwha Techwin |
| US4138751056 | Harris |
| | Heliopolis Company for Chemical Industries |
| US4385161066 | Honeywell International |
| US4464131063 | Huntington Ingalls Industries |
| GB00BZ02MH16 | Icap PLC (Nex Group) |
| | IMI Systems Ltd |
| | Indian Ordnance Factories |
| ID1000108509 | Indo Tambangraya Megah |
| CNE000000SK7 | Inner Mongolia Yitai Coal Co. Ltd. |
| IL0011275471 | Israel Aerospace Industries |
| IL0002810146 | Israel Chemicals |
| US4698141078 | Jacobs Engineering Group |
| ES0000090581 | JUNTA DE ANDALUCIA |
| US4835481031 | Kaman |
| US5024131071 | L3 Technologies |
| INE018A01030 | Larsen & Toubro |
| US5253271028 | Leidos Holdings |
| IT0003856405 | Leonardo |
| US5398301094 | Lockheed Martin |
| KR7023530009 | Lotte Shopping |
| | Makina ve Kimya Endustrisi Kurumu (MKEK) |
| US5801351017 | McDonald's |
| JP3902900004 | Mitsubishi UFJ Financial Group Inc. |
| US6153942023 | Moog |
| US6174464486 | Morgan Stanley |
| RU0006763570 | Motovilikha Plants JSC/Motovilikhinskiye Zavody |
| DE000A0D9PT0 | MTU Aero Engines |
| | Myanmar Defence Products Industries |
| US6295791031 | Nacco Industries |
| AU0000000NHC7 | New Hope Corporation |
| JP3762600009 | Nomura Holdings Inc. |

| | |
|--------------|--|
| US6668071029 | Northrop Grumman |
| US68557N1037 | Orbital ATK |
| | Ordtech Military Industries |
| US7045511000 | Peabody Energy Corp. |
| US69331C1080 | PG & E |
| PLPGER000010 | PGE Polska Grupa Energetyczna S.A. |
| US7185461040 | Phillips 66 |
| KR6103141265 | Poongsan |
| DE000PAH0038 | Porsche Automobil Holding |
| INE863B01011 | Premier Explosives |
| ES0175438003 | Prosegur Compañía de Seguridad |
| US7551115071 | Raytheon |
| XS0305278797 | REGION OF UMBRIA |
| DE0007030009 | Rheinmetall |
| GB0007188757 | Rio Tinto |
| AU000000RIO1 | Rio Tinto (Australia) |
| | Roketsan |
| GB00B63H8491 | Rolls-Royce Holdings |
| | Rostec |
| GB00B03MM408 | Royal Dutch Shell |
| DE0007037129 | RWE AG |
| KR7003570009 | S&T Dynamics |
| KR7036530004 | S&T Holdings Co Ltd |
| FR0000073272 | Safran |
| ZAE000006896 | Sasol Ltd. |
| GB0007973794 | Serco Group plc |
| | Shahid Bagheri Industries |
| SG1F60858221 | Singapore Technologies Engineering Ltd. |
| AU000000S320 | South32 |
| | SPLAV State Research and Production Enterprise |
| ZAE000109815 | Standard Bank Group Ltd. |
| INE245A01021 | Tata Power Co. Ltd. |
| PLTAURN00011 | Tauron Polska Energia S.A. |
| | Technopol International |
| XS0695144567 | Temasek Holding |
| US8832031012 | Textron |
| FR0000121329 | Thales |
| CA89346D1078 | TransAlta Corporation |
| | Union of Military Industries |
| IT0003487029 | Unione di Banche Italiane |
| US9130171096 | United Technologies |
| ID1000058407 | United Tractors |
| BRVALEACNOR0 | Vale SA |
| DE0007664039 | Volkswagen |
| INE711A01022 | Walchandnagar Industries Limited |
| AU000000SOL3 | Washington H. Soul Pattinson |
| AU000000WHC8 | Whitehaven Coal |
| CNE1000004Q8 | Yanzhou Coal Mining Co. Ltd. |
| | Yugoimport SDPR |

Black List Countries

Abu Dhabi
Afghanistan
Ajman
Anguilla
Bahamas
Bahrein
Bangladesh
Bermuda
British Virgin Islands
Cayman Islands
Central African Republic
Chad
China
Comoros
Djibouti
Dubai
Equatorial Guinea
Eritrea
Federated States of Micronesia
Fujairah
Gambia
Guernesey
Guinea-Bissau
Haiti
India
Iraq
Iran. Islamic Rep of
Isle of Man
Jersey
Korea. Dem People's Rep
Kuwait
Lebanon
Liberia
Libian Arab Jamahiriya
Madagascar
Malaysia
Marshall Islands
Mauritania
Monaco
Montenegro
Myanmar (Birma)
Nauru
Oman
Pakistan
Palau
Papua New Guinea
Pitcairn Islands
Qatar
Ras al Khaimah
Saint Barthelemy
Saint Lucia
Saint Vincent and the Grenadines
Samoa (Western)
Saudi Arabia
Sharjah
Solomon Islands
Somalia

South Sudan
Sudan
Swaziland
Tonga
Turkmenistan
Turks and Caicos Islands
Uganda
Umm al Qaiwain
United Arab Emirates
Uzbekistan
Vanuatu
Wallis and Futuna
Yemen